# Getting Started

Important start-up information

QuickBooks®

Version 3.0 for Macintosh

Guide to Your QuickBooks Manuals

Getting Started

Getting Started introduces the most important QuickBooks features and provides step-by-step procedures to help you set up your QuickBooks company correctly. *Getting Started* also contains useful information for Quicken users converting to QuickBooks.
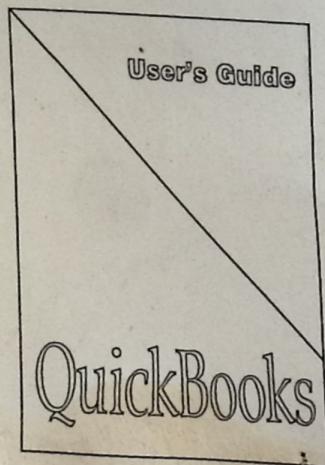
User's Guide

The *User's Guide* explains all QuickBooks features in detail and gives useful tips about how to use the program effectively. Use this book for step-by-step help with the features in QuickBooks.
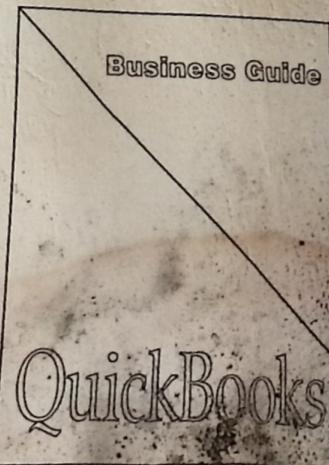
Business Guide

The *Business Guide* explains accounting concepts and terminology. This book contains a lot of useful tips specific to different types of businesses. Use it as a "consultant" to help you best adapt QuickBooks to your own business. It also contains information to help you and your accountant prepare for tax time.

QuickBooks®

Getting Started

Version 3.0 for Macintosh

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CHAPTER 1

Installing QuickBooks

Welcome to QuickBooks!

If you're like many small-business owners or bookkeepers, you've been waiting for an easy-to-use accounting system that will save you time and give you control. You don't want to bother with traditional double-entry systems. You know your business; you shouldn't have to know accounting.

Regardless of your accounting knowledge, chasing all the scraps of paper that come through your business each day steals time you'd rather spend with customers or with your product.

And yet, to get control, you need a complete financial picture of your company. You want a system that's powerful and accurate.

QuickBooks is the system you've been waiting for.

Use the procedures on the next few pages to install your new software. Then follow the instructions in this *Getting Started* manual to set up your company's books correctly. (If you've been using Quicken, there are special instructions for you.)

$ What you need

To use QuickBooks for Macintosh, we recommend you have the following equipment and software:

- An Apple Macintosh with a 68030–25Mhz processor or faster, including IIfx, IIvx, IIci, Centris, LCIII, LC 520 or higher, Performa 450 or higher, PowerBook 145 or higher, and all Quadra and PowerMacintosh machines.
- System software version 7.0 or later*
- 8MB (megabytes) of RAM (but QuickBooks will run on 5MB)
- 10MB of free disk space on your hard disk before you install**
- QuickBooks for Macintosh install disks
- Printer, if you plan to print invoices, purchase orders, checks, lists, mailing labels, reports, or graphs

You also need to know how to use your mouse and move around the Macintosh desktop. To learn these skills quickly, see the user's guide that came with your computer.

$ Installing QuickBooks for Macintosh

> **Turn off extensions before installing QuickBooks.**
>
> Some extensions (like screen savers or virus-protection programs) interfere with installation. Before you install QuickBooks, turn off any extensions that may be running on your computer. You can do this by holding the Shift key down when you turn on your computer. Hold the key down until the screen says, "Extensions off."

➤ **To install QuickBooks:**

1. **Start your Macintosh holding the Shift key down (see box above).**

   Make sure you aren't running any other applications.

2. **Insert the QuickBooks for Macintosh Install Disk #1 in your computer's floppy disk drive.**

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* To find out which version of the system software you are using or how much RAM you have available, choose About This Macintosh or About the Finder from the Apple (🍎) menu.

** To find out how much free space you have available on your hard disk, look in the upper right corner of any window in the Finder (in Icon or Small Icon view).

The QuickBooks installer icon looks like this:

QB Installer

3. **Double-click the QuickBooks installer icon to start the installer.**

   Click Continue in the first dialog box.

4. **When the installer asks which QuickBooks files you want to install, click Install.**

   Unless you don't have room on your hard disk, we recommend you accept the default, "Install all QuickBooks files."

   The installer asks where you want to install QuickBooks.

In this example, the Installer installs QuickBooks on your hard disk in a folder called QuickBooks folder.

```
┌─────────────────────────────────────────────┐
│  ▭ Macintosh HD ▼        ▭ Macintosh HD      │
│  ┌────────────────────────┐                  │
│  │ ▭ Applications       ⇧ │  ┌──────────┐    │
│  │ ▭ cf's stuff         ≣ │  │  Eject   │    │
│  │ ▭ Macintosh Electronic │  └──────────┘    │
│  │   Reference            │  ┌──────────┐    │
│  │ ▭ McKINLEY             │  │ Desktop  │    │
│  │ ▭ Questionnaire        │  └──────────┘    │
│  │ ▭ Shasta            ⇩ │  ┌──────────┐    │
│  └────────────────────────┘  │ New   ▢ │    │
│  Install software into folder:└──────────┘   │
│  ┌────────────────────────┐  ┌──────────┐    │
│  │ QuickBooks™ Folder     │  │  Cancel  │    │
│  └────────────────────────┘  └──────────┘    │
│                              ┌──────────┐    │
│                              │ Install  │    │
│                              └──────────┘    │
└─────────────────────────────────────────────┘
```
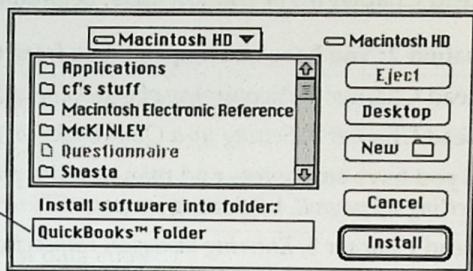
5. **Check the settings in the dialog box to make sure QuickBooks will be installed where you want it, and then click install.**

   Follow the onscreen instructions.

6. **When you see the message that you have installed QuickBooks successfully, accept the suggested memory allocation or change it, and click OK.**

   QuickBooks examines your system to determine the total amount of memory (RAM) you have and the amount your system software uses. Based on these amounts, QuickBooks suggests an amount of memory for itself that will maximize QuickBooks' performance and still leave enough memory for you to work with other applications (if possible).

7. **Remove the last disk and store the install disks in a safe place.**

   If you turned off your extensions by holding the Shift key down when you turned your computer on, you can restart your computer to turn the extensions back on.

$ Where to go from here

QuickBooks has an onscreen Quick Tour that demonstrates how Quick-Books works. The first time you start QuickBooks (by double-clicking the QuickBooks icon), it will ask if you want to see an introduction to Quick-Books. To read about the Quick Tour, see "QuickTour demo" on page 18.

Depending on your situation, read the appropriate chapters to learn how to set up your company data to use with QuickBooks 3 for Macintosh:

Situation 1: You have company data from Quicken.

- Read Chapter 2, *An overview of QuickBooks*, beginning on page 5.
- Skim "Set up company lists" on page 33.
- If you have employees and plan to write paychecks, read Chapter 4, *Setting up payroll*, beginning on page 57.
- Read Chapter 6, *For Quicken users*, beginning on page 117.

Situation 2: You have no company data from Quicken.

- Read Chapter 2, *An overview of QuickBooks*, beginning on page 5.
- Read Chapter 3, *Setting up a QuickBooks company*, beginning on page 23.
- If you have employees and plan to write paychecks, read Chapter 4, *Setting up payroll*, beginning on page 57.
- Read Chapter 5, *Entering historical transactions*, beginning on page 107.

CHAPTER 2
An overview of QuickBooks

QuickBooks is about to make accounting a source of satisfaction and insight. Accounting is now as easy as writing a paper check and as gratifying as making a decision based on complete knowledge. With Quick-Books, accounting comes down to two simple tasks:

• Capture all your daily transactions (checks, invoices, bills, deposit slips, and all the other scraps of paper) by entering them into your computer.

QuickBooks can make this task significantly faster than writing by hand and keeping track of scraps of paper in a shoebox.

- Let QuickBooks summarize your records in reports and graphs that give you a complete financial picture. No contest with the shoebox here. You will have information you never thought anyone could give you.

This chapter introduces the basic features of QuickBooks:

- Lists
- Forms
- Registers
- Reports and graphs

You'll see what each feature does and how features work together to help you organize your finances.

$ Accounting without the hassle

What makes QuickBooks a breakthrough in accounting software? We've done everything we can to make our software easy to use and understand, whether you know anything about accounting or not, whether you've kept books before or not. We've avoided the rigid structures of more traditional accounting packages that require you to "post" transactions and make decisions that you can't undo.

QuickBooks allows you to set up your books in a way that is comfortable, familiar, and understandable.

Flexibility

Edit any transaction...

With QuickBooks, you can edit or delete any transaction any time. Period. There's no posting, no closing out your books. You have access to all your data for as long as you want, and it's always editable. We know how easy it is to make mistakes; we believe it should be just as easy to correct them. (The optional audit trail gives you a record of all changes made.)

...but still protect your data from unwanted changes.

If you want to protect data from changes after a certain time period, use the QuickBooks password feature. You can require a password to change data before a certain date or at all times. Whatever you decide, *you're* in control of whether or not to edit your data, not the software.

Set up your books a little at a time or all at once.

Set up your books as you have time, in your own way. QuickBooks does not require you to enter all customers, vendors, accounts, and so on, before you enter daily transactions. You can add to any list or the Chart of Accounts "on the fly" as you need to. You can also set up your lists in advance, if that suits you best.

If you plan to enter past transactions, from the beginning of your fiscal year, for example, you can enter past data at any time. You don't need to enter it all before you start using QuickBooks for current transactions.

No accounting jargon

QuickBooks doesn't require you to know terms such as *debit* and *credit* or *general ledger*. You deal with terms you're familiar with. (For old hands at accounting, there are optional general journal entries and general ledger reports.)

If you're an accounting novice and want a fast course in the everyday business terms QuickBooks does use, read Chapter 2, *All the accounting you need to know*, beginning on page 3 of the *Business Guide*.

Fast data entry

QuickBooks has several features to make data entry quick, consistent, and easy.

QuickFill

Type the first letter or two of any name, invoice item, account, or other list item; QuickBooks fills in the rest of the word or words for you. This saves you time and ensures that you enter names, accounts, and items sold the same way every time, so your reports are more accurate.

Automatic recall

When you're entering a new transaction, such as a check or bill, Quick-Books fills in most fields with information from the last transaction with that name. You can change any field, but you don't have to reenter any recurring information.

No repetitive typing

After you enter a customer or job name in a new invoice, QuickBooks fills in the address, payment terms, and other fields in the upper portion of the invoice from information you entered in the customer's record. You never have to type the same information twice.

$ The big picture

In QuickBooks you use four basic features that work together to help you manage your company's finances:

- Lists
- Forms
- Registers
- Reports and graphs

The diagram on the opposite page gives a big picture of what these features do and how they interact. The rest of this chapter looks at each feature close up.

How the QuickBooks basic features work together

Chart of Accounts

Fast data entry

Customer List

Check

Bill

Invoice

View record of forms.

Add to lists "on the fly."

View or change details.

Lists

Forms

Registers

Analyze finances.

QuickZoom back to form to see details.

Customize reports and graphs by restricting to certain lists or certain names on lists.

Balance Sheet

Profit and Loss

Reports

Graphs
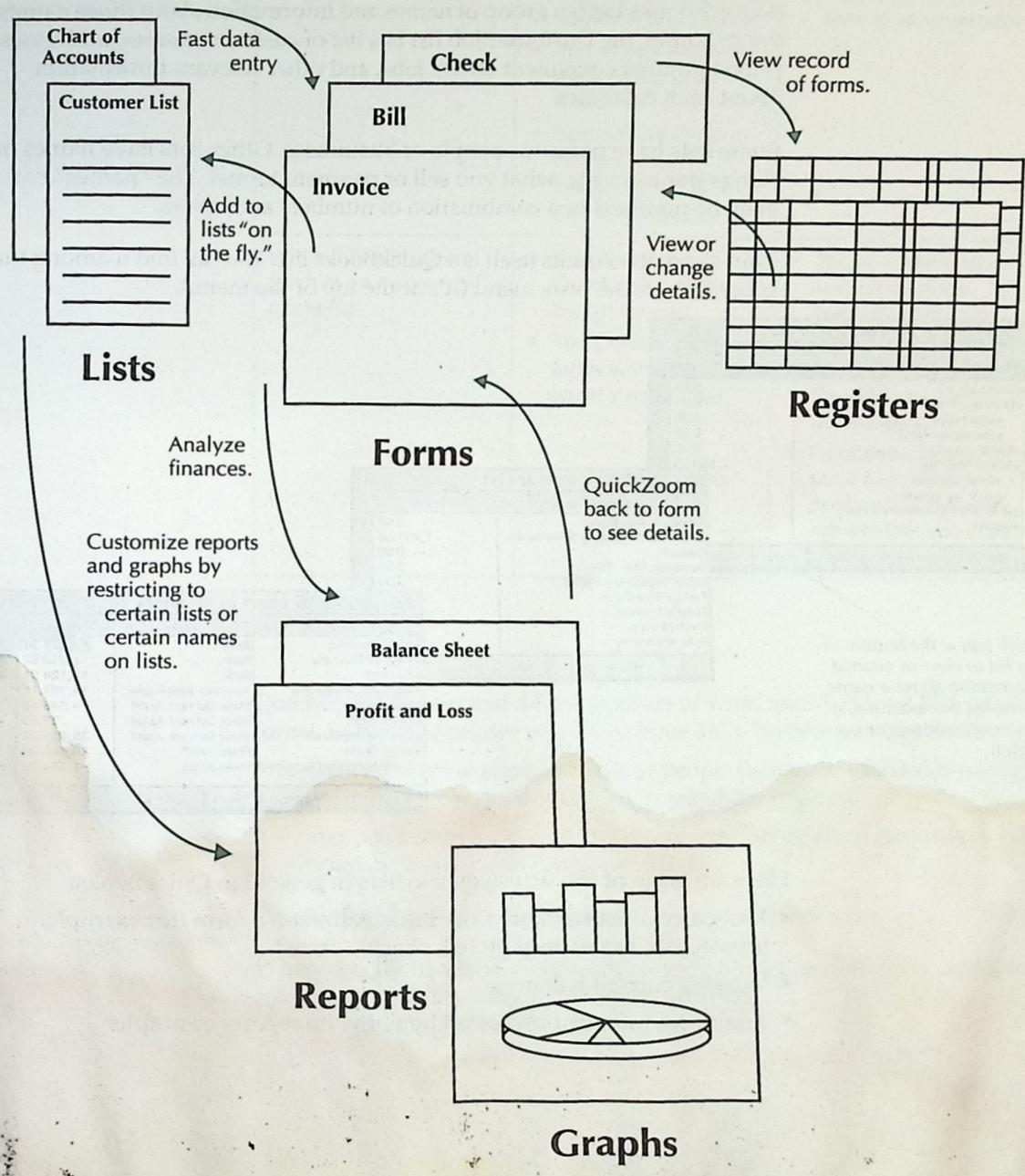
Here's an overview of each of the four basic features in turn.

Lists

A QuickBooks list is a group of names and information about those names. For example, the Customer:Job list is a list of customer names, addresses, phone numbers, payment terms, jobs, and other relevant information about each customer.

Some lists have names of people or businesses. Other lists have names of things (for example, what you sell or payment terms). The "names" can even be numbers or a combination of numbers and letters.

Your chart of accounts itself is a QuickBooks list. You can find it among the other lists on the Lists menu (it's at the top of the menu).

Customer:Job List

Name	Balance
Abercrombie, Kristy	0.00
Courtney, Ed	0.00
Crawley, Donna	0.00
bath repair	0.00
Foundation repair	0.00
Faulds, Scott	0.00
Gomes Bicycles	2,360.00
Dry rot repair	2,3
New warehouse	
J. B. Ward Elementary School	
Jacobs	

Use | QuickReport | New | Edit | Add

Vendor List

Name	Balance
Cranky's Auto Repair	0.00
Cristi Building Supply & Hardware	1,291.00
Deposit	0.00
Dumanian Bros. Tile	0.00
Emker Stucco and Siding	0.00
Fanta's Tree Farm	
Federal Express	
Frech Electrio	
Fritz Appliances	

Use | QuickReport | New | Edit

Chart of Accounts

Name	Type	Balance
Main Checking	Bank	2,436.19
Payroll Checking	Bank	1,770.62
Savings	Bank	14,124.81
Accounts Receivable	Accounts Receivable	14,787.11
Inventory	Other Current Asset	4,546.53
Petty Cash	Other Current Asset	37.69
Undeposited Funds	Other Current Asset	35,925.85
Work Truck	Fixed Asset	30,646.00
Accumulated Depreciat	Fixed Asset	-1,354.00

Use | Use Register | New | Edit

Click Edit at the bottom of the list to view or change information about a name on the list (for example, a customer's address or tax district).

Here are some of the ways you use lists in general in QuickBooks:

- Fast entry of names and other information on a form (for example, invoice, cash sales receipt, bill, check)
- Viewing current balances
- Analyzing information sorted by name on reports or graphs

You can add information to a list in two ways:

Method of adding to list	Advantages	Disadvantages
From the list window	• You can add many names at one session. • You're likely to enter complete information. • Records are likely to be consistent because your attention is on the list.	• You need to set aside time to enter information.
While filling in a form (such as an invoice, bill, or check)	• If a name is new, QuickBooks adds it to the list for you. • You can start filling in forms without lengthy setup time.	• You may omit important information (such as address or phone number) and have to add it later. • Records may be inconsistent. • Frequently, as you fill out a form, QuickBooks will interrupt to ask whether you want to add the new name.

Forms

QuickBooks has several different kinds of windows that look like paper forms. In these windows you fill in your daily business transactions:

- Forms you want to print and give to people (invoices, cash sales receipts, credit memos, checks, deposit slips, purchase orders)
- Forms you have received from people (payments from customers, bills, bill credits, credit card charge receipts)

On any form, many of the fields are associated with a list.

When you fill in a field with a name from a list, QuickBooks may fill in several other fields with relevant information.

For example, when you choose a customer name on an invoice, Quick-Books fills in the mailing name and address, the payment terms, and the customer's sales tax.

When you see a square button with an arrow next to or in a field, that field has a drop-down list.

Fill in the field in one of these ways:

- Click the arrow to display the list. Then click the name.

- Type the first few letters of the name. Let QuickFill fill in the rest of the name.

- Type a new name. At the prompt, say that you want to set up or Quick Add a new name.

On the other hand, if you type a new name, QuickBooks asks if you want to add it to the list. For some lists, you can choose to "Quick Add." Then QuickBooks sets up the new name with some of the information directly from the form; you may want to provide more complete information later, when you have time.

Registers

Just as your checkbook register contains records of all activity in your checking account, a QuickBooks register contains records of all activity in one balance sheet account.

Every balance sheet account on your chart of accounts has a register.* For example, the register for your accounts receivable contains every invoice, customer payment, and credit memo form you've recorded. You can think of a register as a record of all forms for that account. It's easy to scroll through a register to find a particular form by date or by number.

---

* There is one exception: The special Retained Earnings account QuickBooks creates appears on your balance sheet after you have ended a fiscal year, but it has no register.

This is a register for an accounts receivable account.

Every balance sheet account has its own register.

Date	Number	Customer	Due	Invoiced	Received	Balance
	Type	Memo				
04/06/94	26	Adventure Travel:Doug and Anna V.	Paid	2,157.03		4,447.03
	INV					
04/10/94	16	Scott Quinn	Paid	301.99		4,749.02
	INV					
04/13/94		Scott Quinn			301.99	4,447.03
	PMT					
04/20/94	27	Adventure Travel:Horst Imports	05/20/94	14,900.00		19,347.03
	INV					
04/30/94		Adventure Travel:Doug and Anna V.			2,157.03	17,190.00
	PMT					

Accounts Receivable

Q-Report   Edit   ☐ 1-Line   ☐ Show open balance   Ending balance   50.00

INV in the Type field identifies an invoice; PMT identifies a payment.

To view a particular form, select it in the register and click the Edit button.

Invoices increase the balance of your accounts receivable account. Payments decrease the balance.

QuickBooks automatically calculates the ending balance of a balance sheet account when you record a new form for that account.

Reports and graphs

Reports and graphs help you analyze what your company has done, how well it is doing, and what you can expect in the future.

QuickBooks has a large variety of preset reports and graphs that assemble information based on transactions you've recorded on the different forms in QuickBooks.

For example, you can create a profit and loss statement for this month to date, one for this year to date, or one that compares this year to date with last year to date.

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Books fills in the mailing name and address, the payment terms, and the
customer's sales tax.

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button with an arrow next
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QuickBooks sets up the new name with some of the information directly
from the form; you may want to provide more complete information later,
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	PMT					
04/20/94	27	Adventure Travel:Horst Imports	05/20/94	14,900.00		19,347.03
	INV					
04/30/94		Adventure Travel:Doug and Anna V.			2,157.03	17,190.00
	PMT					

Accounts Receivable

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For example, you can create a profit and loss statement for this month to date, one for this year to date, or one that compares this year to date with last year to date.

The QuickZoom feature allows you to see just what transactions contribute to the data on reports and graphs. You place the mouse pointer over a number on a report or over a bar or pie slice on a graph. When you see a magnifying glass with a Z inside, you can double-click to see more information.

	McKinley Outfitters and Expeditioners		
11/18/94	Profit and Loss		
	September 1993 through August 1994		
		◇ Sep '93 - Aug '94 ◇	
Ordinary Income/Expense			
Income			
Merchandise Sales		4,966.86	
Service Income		272,304.00	
Total Income		277,270.86	
Cost of Goods Sold			
Cost of Goods Sold		2,517.16	
Total COGS		2,517.16	
Gross Profit		274,753.70	
Expense			
Advertising ▸		770.00 ◄ Ⓩ	
Automobile Expense		2,531.20	
Commission		5,300.00	

QuickZoom to see more information: Double-click a number on a report to see another report or the form behind the data.

	McKinley Outfitters and Expeditioners					
11/18/94	Transactions by Account					
	September 1993 through August 1994					
◇ Type ◇	Date ◇	Name ◇	Split ◇	Amount ◇	Balance ◇	
Advertising						
▸ Bill	11/07/93	Andres Advertising Ag	Accounts Payable	420.00	420.00 ◄	
Bill	03/23/94	Andres Advertising Ag	Accounts Payable	350.00	770.00	
Total Advertising				770.00	770.00	
TOTAL				770.00	770.00	

QuickBooks reports work with your lists when you want to restrict a report to certain transactions. For example, you might want to see a list of all refund checks to customers. You could start with a report listing all checks and filter the report to include only checks to names on your Customer:Job list.

QuickReports

QuickReports are pre-designed reports that give you information about the items you're viewing when you click a button. They look just like other QuickBooks reports, but they're quick because you don't have to go through the Reports menu to create them.

For example, say you're viewing the Vendor list, and you want to see all your unpaid bills for a certain vendor. Select the vendor's name and click QuickReport. You'll see a report listing information about each unpaid bill for that vendor.

Try the QuickReport button on any of the QuickBooks lists. You'll see valuable information you might never have taken the time to search for in the reports section of QuickBooks.

This example shows a QuickReport from the Vendor list.

Vendor List	
Name	Balance
Northwest Gas & Electric	326.20
Pacific Bell	518.12
Panelli Real Estate Management	0.00
Pinkney WaterSports	0.00
Shapiro, Nguyen, & Hanson	275.00
Sierra Design	325.00
South Fork	0.00
Sports Mountain Supply	0.00
State Board of Equalization	12,640.54
Travelers Bank	0.00
UPS	117.50

Use   QuickReport   New   Edit

Select a vendor; then click QuickReport at the bottom of the list.

QuickBooks displays a transaction report showing all unpaid bills (and unapplied credits) from this vendor.

Vendor QuickReport

...t...   Header/Footer...   Hide Header   Print...   Memoriz

To

11/18/94   ...inley Outfitters and Expeditioners
Vendor QuickReport
All Transactions

	Type	Date	Memo	Due Date	Open Balance
UPS					
	Bill	10/16/93		10/26/93	53.50
	Bill	12/15/93		12/25/93	64.00
Total UPS					117.50
TOTAL					117.50

QuickReports are available not only from lists but also from registers and from invoices, bills, and other forms.

$ Working with QuickBooks for Macintosh

If you've used other Macintosh programs, you'll probably recognize similarities between QuickBooks and the other programs.

The **menu bar** has several menus that open windows within QuickBooks to handle your financial tasks.

 File   Edit   Lists   Activities   Reports   Prefs   Window

The **iconbar** has several icons you can click as shortcuts to using the menus. (The menus have many more choices than the iconbar does.)

You can choose whether you want the iconbar to be horizontal or vertical.

The **title bar** at the top of the iconbar identifies the company file currently open.

McKinley Outfitters and Expeditioners

| Invoice | Check | Req | Cust | Item | Rmnd | Backup |
| PO | Bill | Acont | Vend | MemTx | Payroll | Help |

Only one window can be **active** at a time in QuickBooks. Here, the Chart of Accounts is active.

The active window is in front of other windows. Its title bar contains horizontal stripes.

Your keystrokes can affect the active window or a menu but not an inactive window.

This window (Enter Bills) is now **inactive**. If you click an inactive window, it becomes active.

Enter Bills

○ Bill   ○ Credit   ☒ Bill Received

Bill

Vendor ___

Date 11/18/94

Terms List

Terms

1% 10 Net 30
2% 10 Net 30
Due on receipt
Net 15
Net 30
Net 60

Terms ___

Memo ___

Expenses $0

| Account | Amo |
| | |

| Use | QuickReport | New | Edit |

▶ Next
◀ Prev
✔ OK
✗ Cancel
Recalc

Class
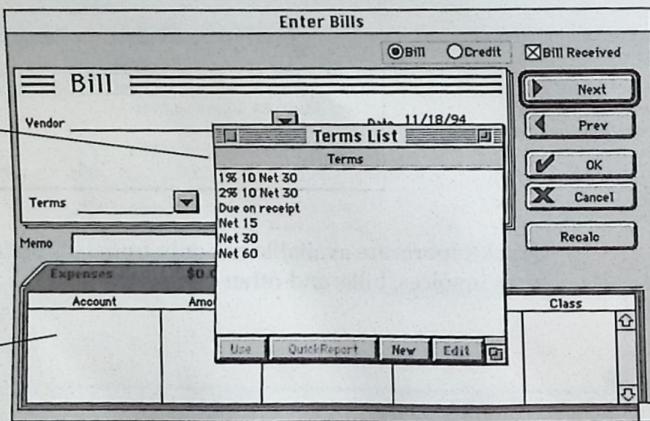
Choosing QuickBooks menu commands

QuickBooks menu commands are the starting point for everything you want to do with QuickBooks—from opening an account register or creating an invoice, to running a report or reconciling your bank account with your bank statement.

Each menu command is available from one of QuickBooks' menus, and can be selected just as you would select a command from any other Macintosh menu. If you are new to using the Macintosh, see the user's guide that came with your computer for more information.

Choosing menu commands using the keyboard

```
┌─────────────────────────┐
│ Lists                    │
├─────────────────────────┤
│ Chart of Accounts    ⌘A │
│ Items                    │
│ Classes                  │
│                          │
│ Customers:Jobs       ⌘J │
│ Vendors                  │
│ Employees                │
│ Other Names              │
│                          │
│ Customer Types           │
└─────────────────────────┘
```
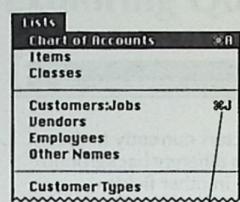
Keyboard shortcut to
open the Customer:Job
list.

A keyboard shortcut is a combination of keys you press at the same time that gives you the same result as choosing a command from a menu. You can find out which QuickBooks menu commands have keyboard shortcuts by looking at the menus to see what key combination, if any, is listed in the column on the right. To use a keyboard shortcut, hold down the ⌘ (Command) key while you press another key. To open the Customer:Job list, for example, you would hold down the ⌘ key and press J.

Other keyboard conventions

QuickBooks uses standard Macintosh keyboard conventions. For example:

- **Use of Tab key** Pressing Tab moves the insertion point (the flashing cursor) to the next field.

- **Use of Esc key** Pressing Esc is equivalent to clicking the Cancel button. It closes the active window without saving anything you've entered since you opened it.

The Return key

QuickBooks is preset to use the Return key like the Tab key. That is, pressing Return moves the insertion point to the next field. You can record what you've entered by pressing ⌘-Return.

You can change the way the Return key works so that it records instead. See "Data entry preferences" on page 326 of the *User's Guide*.

Whenever a field in a window has an arrow in a small box, you can fill in the field by choosing from a list associated with it.

This arrow indicates a drop-down list for the **Vendor** field.

To display a drop-down
list for a field with an
arrow, click the arrow.

```
┌══════════════════════════════════════════════════════┐
│ ≡  Bill ═══════════════════════════════════════════   │
│                                                        │
│ Vendor  Andres Advertising Agency    ▼      Date  11/18/94 │
│                                           Ref. No. _____ │
│ Discount Date   11/28/94               Amount Due  350.00 │
│ Terms  1% 10 Net 30  ▼                   Bill Due  12/18/94 │
└∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿∿┘
```

In most QuickBooks list fields, you can either choose an existing name from the list or add a name as you work ("on the fly"). If the name you type is not on the list, QuickBooks helps you set up a new name.

A field in a window is ready to be filled in when you see one of the following:

| Vendor | [_____] ▼ |
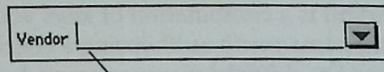
The insertion point (flashing
vertical line) is in the field.

| Vendor | Colbert Wholesale Foods | ▼ |
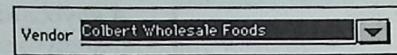
The characters currently in the
field have a different background
from those in other fields.

After you fill in a window (or a transaction in a register), you save what you have entered in one of these ways:

- Click one of these buttons in the window.

| ✔ OK | ▶ Next | Record |
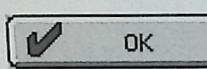
The OK button records
and closes the window.
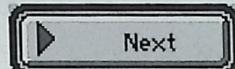
The Next button
records but keeps
the window open.

The Record button records
a transaction in a register.

Press 1 -Return. That is, hold down the 1 key and press Return.

$ Learning to use QuickBooks

The first step in learning to use QuickBooks is to see the program in action.

QuickTour demo

The QuickTour demo is a brief introduction to the features and procedures for completing accounting tasks with QuickBooks. You can view the Quick Tour demo at any time. It's divided into two sections: a 5-minute overview of the features and a 10-minute overview of the basic task areas.

The first time you start QuickBooks, a welcoming window gives a chance to view the QuickTour demo. You can also view the demo later, after you've used QuickBooks.

➤ **To view the QuickTour demo at any time:**
- **From the QuickBooks Help menu, choose QuickTour Demo.**

Exploring QuickBooks with the sample data

We've included two years' worth of sample data from a fictional construction company called McKinley Outfitters and Expeditioners. You can use this sample company data to explore QuickBooks, enter data, and try all the features, without having to worry about your own company's books.

McKinley Outfitters and Expeditioners has six employees. They sell services (as tour guides on expeditions) and inventory items such as backpacks, flannel shirts, and climbing ropes. They use accounts payable for bills and QuickBooks payroll. McKinley also makes use of job tracking.

Explore the sample data to get an idea of the information that reports and QuickReports can give you after you've accumulated some data over time. McKinley Outfitters and Expeditioners' fiscal year runs from September through August. The sample data covers the period from September 1993 to August 1995.

Although you can use McKinley Outfitters and Expeditioners as a model for ways to enter various transactions, there are no right or wrong ways to use the various fields QuickBooks provides.

For example, McKinley Outfitters and Expeditioners uses class tracking to classify job-related transactions as either summer season or winter season. so they can see whether their summer or winter expeditions are more profitable. But you can use classes to track anything useful for your business, such as different departments' income and expenses.

➤ **To view the sample data:**

1. **From the File menu, choose Open Company if it is available. Otherwise, choose Close Company and then Open Company.**

2. **In the Open a Company window, choose "Sample Company" from the folder where you installed QuickBooks.**

3. **Click OK.**

   You're ready to look at any windows, lists, reports, or graphs, and to try entering any data to see how QuickBooks works.

➤ **To exit the sample company data:**

• **From the File menu, choose Close Company.**

💲 Getting help while you work

We've provided several sources to help you get information while you're working with QuickBooks.

- Balloon Help provides information about fields as you move the mouse pointer around in each window.
- QuickBooks Help is a an extensive, context-sensitive Help system.

This section describes how to get help using these features.

Using Balloon Help

Balloon Help is the quickest and easiest way to get help and tips on the various fields of a window.

➤ **To turn on Balloon Help:**

The Help menu icon **[?]**

- **From the Help menu in the upper right corner of your screen, choose Show Balloons.**

Then point to an item on the screen to see its help balloon.

Point to a field on the screen to learn more about it.

```
┌──────────────── Write Checks – Checking ────────────────┐
│  Bank Account   Checking              [▼] ┌Ending Balance    425.00 │
│                                           │ From the drop-down │
│                                           │ list, choose the   │ int
│                                           │ checking account you│ /94
│  Pay to the                               │ want to use to write│
│  Order of  _____│ this check.        │
│                                           └────────────────────┘Dollars │
│                                                                  │
│            ┌──────────────┐                                      │
│  Address   │              │                                      │
│            │              │                                      │
│            └──────────────┘                                      │
│  Memo  _____                   │
└──────────────────────────────────────────────────────────┘
```
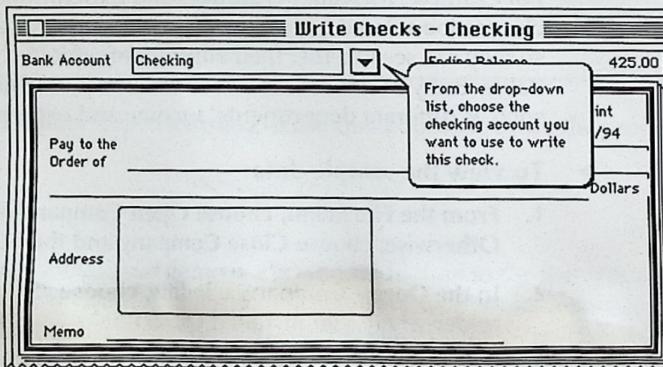
➤ **To turn off Balloon Help:**

- **From the Help menu in the upper right corner of your screen, choose Hide Balloons.**

Using the QuickBooks Help system

QuickBooks Help has extensive information about every feature. Many people find a good Help system faster than going to the manual for the answer to a "how to" question. Give QuickBooks Help a try, even if you're

not used to onscreen Help, or if you've been frustrated by other onscreen Help systems. You'll find our Help is easy to use and very complete.

Here's the Help window for the Create Purchase Orders window.

The buttonbar for the Help window

Click one of these five buttons:

- **How to** For step-by-step instructions
- **What happens** For result of completing the task
- **Q & A** For answers to common questions
- **Overview** For diagram of how this task relates to other tasks
- **Index** For book-like index of all topics in the Help system

Click any field in the diagram for help on what to enter there.

QuickBooks Help

[Contents] [Index] [Go Back] [History] [Glossary] [Index]

Keyword:

Create Purchase Orders window

[How to] [What happens] [Q & A] [Overview] [A-Z Index]

◆ You use this window to write new purchase orders, and to view and edit previous purchase orders.

Vendor [   ] Class [   ] ☐ Closed

Date PO #   Next
                Prev
Vendor   OK
Ship to   Cancel
Expected FOB   Receipts
                ChangeTitle
Item Description Qty Rcv'd Rate Amount Cust Preview
                Print
Message   ☐
Memo   To be printed

For more detail about part of the form, click the diagram.

➤ **To get Help about a particular window you're displaying in QuickBooks, do one of the following:**

- **Press ⌘ ?.**
- **Press the Help key if you are using an extended keyboard.**
- **Click the Help icon in the iconbar.**
- **Choose QuickBooks Help from the Help menu.**

➤ **To learn about the features of QuickBooks Help:**

1. **Display the QuickBooks Help window (for example, press ⌘ ?).**

2. **From the Help menu of the QuickBooks Help window, choose How to Use QuickBooks Help.**

➤ **To locate another topic in Help:**

1. **Display the QuickBooks Help window (for example, press ⌘ ?).**

2. **Click Contents (on the buttonbar for the Help window). Then click the topic area you want to know about.**

OR

Click the large Index button near the top of the Help window. Click the letter of the alphabet that begins the topic, and click the topic.

OR

Click Search (on the buttonbar for the Help window). Select a topic from the list and follow the onscreen instructions.

CHAPTER 3

Setting up a QuickBooks company

This chapter contains all the information you need to set up a new Quick-Books company. If you plan to use QuickBooks for payroll, read Chapter 4, *Setting up payroll*, beginning on page 57.

The QuickBooks setup procedure is unusually flexible. You can start writing invoices and checks today without entering detailed information about your past finances. QuickBooks lets you decide how much information you want to track.

After you have completed this chapter, you'll be ready to use QuickBooks to manage your company's finances.

> **Quicken users:**
>
> See Chapter 6, *For Quicken users*, beginning on page 117 to learn how to use your existing data to start a QuickBooks company.

$ Overview of the setup procedure

When you set up your company records in QuickBooks, you start with a financial snapshot of your company as of a specific date (of your choice) and then enter all transactions that have happened since that date.

> **Do you need some help with bookkeeping terminology?**
>
> This chapter uses some bookkeeping terms that most small businesses already use (for example, balance sheet, assets, liabilities, chart of accounts). If you've never tried to keep books before, or if you're not sure what these terms mean, read Chapter 2, *All the accounting you need to know*, beginning on page 3 of the *Business Guide*.

Here's an overview of the basic steps of the setup process. You don't have to do everything in the same session. If you break up the setup into more

than one session, do back up your data file at the end of each session. See "Back up your company data" on page 53.

Step	Summary
Step 1: Choose a QuickBooks start date	Choose a date for which you can give QuickBooks a financial snapshot of your company.
Step 2: Start QuickBooks	Get the program running on your computer.
Step 3: Register QuickBooks	Enter your registration number (from your packing slip or from calling a toll-free number) so that you can use QuickBooks an unlimited number of times.
Step 4: Create your new QuickBooks company	On your hard drive, create a data file to store information about your company's finances.
Step 5: Set up company lists	In your new data file, enter information about customers and vendors with open balances and modify your chart of accounts if necessary. If you track inventory, enter information about the items in inventory. You may want to add information about other customers, vendors, employees, and items now to make your lists consistent and to make it easy to start using QuickBooks.
Step 6: Enter opening balances	Enter the balances of all assets and liabilities as of your start date.
Step 7: Enter optional adjustments	Make additional adjustments that affect your profit and loss statement for the current year or that make you ready to track payroll.
Step 8: Back up your company data	Back up your QuickBooks data file.

$ Step 1: Choose a QuickBooks start date

Before you start entering your company's financial transactions into QuickBooks, you need to choose a "start date." Your QuickBooks start date is the date for which you give QuickBooks a financial snapshot of your company assets and liabilities.

Many people like to use the last day of a financial period, such as the end of last fiscal year, last quarter, or last month. You may even use today if you have a fairly complete financial snapshot of your company as of today.

To keep your records up to date, you must enter all historical transactions from the day after your start date up through today. Then QuickBooks will be able to provide full financial reports for your company for any period after your start date.

Although you can change your start date later, your start date determines much of your setup. It's easier to decide on a date now than to change it later.

Tips for choosing a good start date

If today is close to the end of your fiscal year, the last day of your fiscal year is an excellent start date. You'll probably have an accurate balance sheet to enter in QuickBooks.

If today is midway in your fiscal year, ask yourself whether you really want to enter all transactions from the beginning of the year.

- If the answer is no, choose a more manageable start date, such as the end of the last quarter or the end of last month.
- If the answer is yes, choose the end of your last fiscal year as your start date. You will then have complete records in QuickBooks for the current fiscal year.

Checklist for your start date

Here is a list of information that's good to have as of your start date. (Some information may not be relevant to your company.)

Information to have	What it affects in QuickBooks
Bank account balances	Balance sheet Ability to reconcile your bank statements with QuickBooks
Value of assets, including inventory on hand	Balance sheet
How much each customer owes you	Balance sheet Accuracy of your accounts receivable records
How much you owe each vendor	Balance sheet Accuracy of your accounts payable records
How much sales tax you owe	Balance sheet Accuracy of your sales tax records

Information to have	What it affects in QuickBooks
How much of each payroll tax you owe	Balance sheet Accuracy of your payroll records
Income and expenses (profit and loss statement) for the current fiscal year through the start date (for midyear setup)	Accurate profit and loss statement for entire fiscal year

In addition, if you like to be methodical and set up everything at one time, here's what you need to have:

Information to have	What it affects in QuickBooks
Names, addresses, and other information about regular customers	Customer:Job list Information prefilled on sales forms
Names, addresses, and other information about regular vendors	Vendor list Information prefilled on checks or purchase orders
Names, addresses, and other information about employees	Employee list Payroll tracking
Complete chart of accounts	Chart of accounts
Description, price or rate, taxability of goods and services you sell	Item list Information prefilled on sales forms or purchase forms
Rate and tax agency for every sales tax you collect	Item list Ability to track sales tax owed

> **You don't have to enter historical transactions right now.**
>
> If you decide to use a date in the past as your start date, and you plan to enter financial transactions from the past into QuickBooks, you can make those historical entries at any time.
>
> You can start using QuickBooks right away for your current transactions; then add historical transactions as you have time. Your data will not be harmed in any way if you enter past transactions after you've been using QuickBooks for awhile.
>
> However, until you fill in the gap between your start date and today, your QuickBooks will have the following limitations:
>
> - Inaccurate balance for your checking account
> - Inaccurate records of how much each customer owes and how much you owe each vendor
> - Inaccurate and incomplete reports
>
> That's why you should choose a start date not too far back in the past for you to handle.

An example:

Suppose you begin using QuickBooks on May 24, 1995, and your fiscal year began on January 1, 1995. Here are two possible approaches:

- Enter opening balances as of December 31, 1994. When you get a chance, enter past transactions for 1995 from January 1 up to May 24. After you've entered all past transactions, your reports will be complete for any date or date range within the current fiscal year.

- Enter opening balances and a summary of your year-to-date income and expenses as of April 30, 1995. Then enter all transactions from May 1 through May 24. You will have an accurate balance sheet for any date from April 30 forward and an accurate profit and loss statement for this year-to-date through any date after April 30. Your QuickBooks reports will have complete details from May 1 forward. They will not have any details for the period before May 1, 1995.

$ Step 2: Start QuickBooks

> **These instructions assume you have installed QuickBooks.**
>
> If you have not yet installed QuickBooks, do so now following the procedures in Chapter 1, *Installing QuickBooks*, beginning on page 1.

➤ **To start QuickBooks:**

1. **Open the folder where you installed QuickBooks.**

   If you can't find QuickBooks on your hard disk:

   • From the Finder, choose Find from the File menu.

   • Type QuickBooks in the Find text box and click the Find button. The Finder will locate the QuickBooks application file for you.

2. **Double-click the QuickBooks icon to start QuickBooks.**

3. **QuickBooks displays a welcome window where you can choose to see an introduction to QuickBooks called the QuickTour demo.**

   It's a good idea to view the QuickTour demo before you create your QuickBooks company. The QuickTour is arranged into two short sections: a 5-minute overview of the features and a 10-minute overview of the basic task areas.

   To view the QuickTour now, select "See the Introduction to QuickBooks."

   The welcome window also offers four other options:

   • Open the sample company data.

   • Set up a new data file for a company.

   • Open an existing QuickBooks for Macintosh data file.

   • Convert a data file from Quicken or In-House Accountant.

   To choose one of the other three options, click it to move the black circle to it. Then click the OK button.

If you installed QuickBooks earlier, you may not see the welcome window. You can view the QuickTour demo by choosing QuickTour demo from the Help menu or, from the Finder, double-click the Quick Tour icon in the QuickBooks folder.

$ Step 3: Register QuickBooks

The second time you run QuickBooks, you'll see the Product Registration window.

Click here to register.

If you click Continue,
QuickBooks displays this
window several times
during the first 25 times
you run QuickBooks or
until you register.

You won't be able to run
QuickBooks more than
25 times without
registering.

Product Registration

Please register QuickBooks for Macintosh. Registration automatically
enrolls you in our Customer Care Program which entitles you to
technical support, upgrade notification and special offers.

If you purchased QuickBooks for Macintosh directly from Intuit, click
Help or press the Help key now.

To run without interruption, you must register in your next 24 uses.

| Register |
| Continue |
| Help |

➤ **To register QuickBooks:**

1. **If you don't see the Product Registration window (shown above), choose Register QuickBooks from the Activities menu.**

2. **At the Product Registration window, click Register.**

3. **If you bought QuickBooks directly from Intuit, enter the customer number printed on your invoice. You won't need to call.**

   If you bought QuickBooks elsewhere, call the toll-free phone number on your screen, and the representative will give you a number to enter in the Customer number field.

   If you are outside the U.S. or Canada and need to call to register, click Help at the Register QuickBooks for Macintosh window. Call the phone number for international registration displayed in the Help message.

4. **When you have a customer number, click OK.**

$ Step 4: Create your new QuickBooks company

Now you're ready to create your new company in QuickBooks and set up a chart of accounts for your business.

➢ **To create a new QuickBooks company:**

If the New Company choice is grayed out on the File menu, you have another company file open. Choose Close Company and then proceed.

1. **From the File menu, choose New Company.**

2. **In the Creating New Company window, enter your company's name, address, and the first month of your fiscal year, then click Next.**

   QuickBooks displays your company name on all reports.

   If you choose to print your name and address on invoices, checks, or other forms, QuickBooks uses the name and address you enter here.

   QuickBooks uses your fiscal year for year-to-date reports.

   You can edit this information later by choosing Company Info from the File menu.

3. **Choose the invoice format you'd like to start using; then click Next.**

   You can change the invoice format or customize it with your own fields at any time while you're working with QuickBooks. For more information about the different formats, see "Choosing a format for your sales forms" on page 4 of the *User's Guide*.

4. **Choose one of the QuickBooks preset charts of accounts; then click Next.**

   Even if your exact company type doesn't appear in the list, save time by choosing the company type most similar to yours.

   Why should I use a preset list of income and expense accounts?

   Choosing one of the preset lists gives you these benefits:

   Speedy setup. The fastest way to develop your own chart of accounts is to choose the preset chart that is closest to your company type and then add, delete, and edit the accounts. See "Chart of accounts" on page 40.

   Expertise. You get a list of accounts developed by accounting experts after careful research into businesses like your own.

   Other preset lists. When you choose a specific QuickBooks list of income and expense accounts, QuickBooks automatically supplies other lists, such as payment methods, customer and vendor types, and payment terms suited to your type of business, to get you started; so you start out with several customized lists.

   ---

5. **In the Setting Up Sales Tax window, click Yes if you ever charge sales tax; click No if you never charge sales tax.**

- If you clicked Yes, continue with the next step.
- If you clicked No, skip to Step 8 below.

6. **(If you clicked Yes) In the second Setting Up Sales Tax window, select the option that describes your tax situation; then click Next.**

If you collect only one sales tax for one tax district, paid to only one tax agency, select the option at the left. Quick-Books can help you set up your tax now.

Otherwise, select the option at the right. Set up your sales taxes later. See "Setting up tax rates and agencies" on page 50 of the *User's Guide*.

```
═══════════════ Setting up Sales Tax ═══════════════

QuickBooks can help you calculate the sales tax you must collect     ▶  Next
and report for simple and complex tax situations.
                                                                     ◀  Prev
Please select one of the two following options.
                                                                     ✕  Cancel
        Single tax rate          Multiple tax rates
      ◉ paid to a single        ○ OR Multiple tax                       Help
        tax agency                 agencies

Click Help for more information.
```
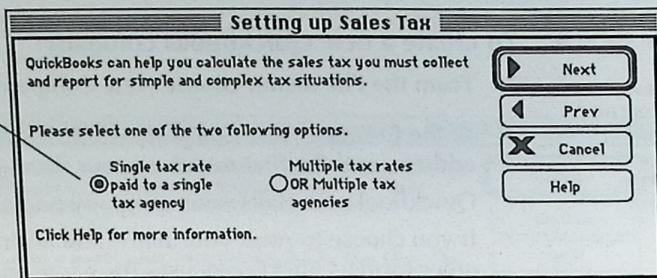
7. **(If you have a single tax) Fill in the third Setting Up Sales Tax window; then click Next.**

Enter up to 13 characters (including spaces) here. QuickBooks uses this name on sales tax reports.

Enter what you want your customers to see on printed invoices, cash sales receipts, and credit memos.

Enter the tax rate as a percentage.
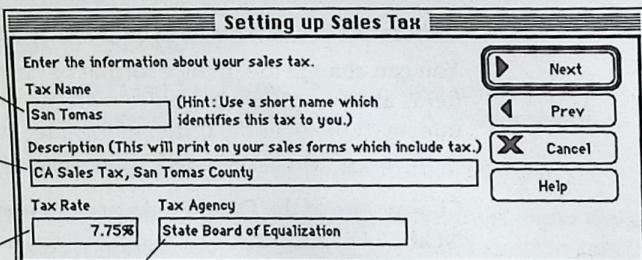
Enter the name to use on checks when you pay this tax.

```
═══════════════ Setting up Sales Tax ═══════════════

Enter the information about your sales tax.                           ▶  Next
Tax Name
                         (Hint: Use a short name which                ◀  Prev
 San Tomas                identifies this tax to you.)
Description (This will print on your sales forms which include tax.)  ✕  Cancel
 CA Sales Tax, San Tomas County
                                                                        Help
Tax Rate        Tax Agency
       7.75%     State Board of Equalization
```

8. **In the Using Inventory window, tell QuickBooks whether you stock inventory or write purchase orders.**

   - If you answer Yes, QuickBooks puts some additional choices on your Activities and Reports menus and makes it possible to add inventory items to your Item list.
   - If you don't need to track inventory AND you don't need to track and print purchase orders, answer No. Then your Activities and Reports menus will not have the additional choices.
   - Later, if you want to turn inventory tracking and purchase orders on (or off), choose Inventory/PO's from the Prefs menu.

9. **In the Setting Up Payroll window, tell QuickBooks whether you pay employees; then click Next.**

- If you answer Yes, QuickBooks puts some additional choices on your Lists, Activities, and Reports menus and makes it possible to write paychecks with taxes calculated automatically.
- If you don't need to write paychecks, answer No. Then your Lists, Activities, and Reports menus will not have the additional choices.
- Later, if you want to turn payroll on (or off), choose Payroll from the Prefs menu.

10. **If you answered Yes in the Setting Up Payroll window, enter your federal and state ID numbers, and your state in the next window. Then click Next.**

11. **Review the proposed filename and folder, make any changes you'd like, and click Save to create your new QuickBooks company.**

QuickBooks proposes that you store your data in the same folder where you installed QuickBooks.

You can change to another folder by choosing from the drop-down list. Do not change to a floppy drive, as your data file can become too big to fit on one floppy disk.

You can accept the filename QuickBooks automatically enters or enter a new name.

☐ QuickBooks folder ▼	⊂ Macintosh HD
☐ Canada.iif	Eject
☐ CHARTS.DAT	
☐ CHARTS.IIF	Desktop
◇ QuickBooks	
☐ QuickBooks Log	New ☐
☐ QuickBooks Preferences	
Filename for New Company	Cancel
My Company finances	Save

Click Save to create your QuickBooks company.
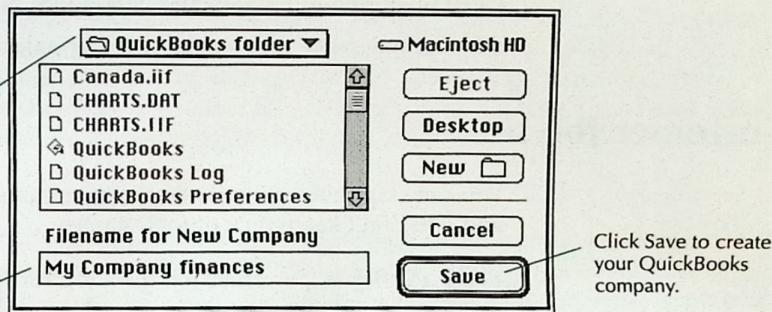
You have now created your QuickBooks company.

If you need to create another, completely separate company, close the current company (from the File menu, choose Close Company). Then follow the same procedure again.

$ Step 5: Set up company lists

QuickBooks allows you to decide how much detail you want to enter on your company lists before you start working with the product.

At the very minimum, you need the following:
- List of each customer who owes you money, and how much
- List of each vendor to whom you owe money, and how much
- A chart of accounts you feel comfortable using

- (If you track the value of inventory) List of each item in stock, including number of units and value of each

In addition, if you want to set up your lists more fully so that you can enter the information now and be able to use it without further setup, you'll want the following:

- List of customers you regularly do business with
- List of vendors you regularly do business with
- List of employees
- List of items you sell
- List of payment methods you accept
- List of payment terms for customers and vendors
- List of shipping methods (for companies that ship)
- List of messages you regularly use on sales forms

Customer:Job list

You can skip this section if all your customers pay at the time of the sale and you don't keep track of their names.

The QuickBooks Customer:Job list has information about your customers and the individual jobs or projects you want to track for each customer. You'll use it for the following:

- Fast entry of name, address, payment terms, tax status on invoices and other sales forms
- Tracking payments received and amounts owed
- Contacting customers with overdue balances
- Reporting of sales or income by customer, profit and loss by job, budget vs. actual by job
- Tracking reimbursable expenses by customer and job
- Printing mailing labels

Before you add names

In order to make your customer list consistent, you may want to decide the following before you begin.

Do you want to keep track of jobs or projects?

Jobs in QuickBooks are optional. They allow you to break up a customer's activity by individual jobs or projects. That way, you can see reports about

each job separately. If you want to track jobs, be sure you know the amount owed to you for each job as of the start date.

You can also use jobs to track sales to different locations of a customer with a central billing office.

Do you need to track sales tax for multiple tax districts or at multiple rates?

QuickBooks lets you assign sales tax information to a customer. If you charge sales tax and have not already set up your sales tax information, it's best to do it before you add customers. (However, you can go back later and edit your customer information.) To set up your sales tax information, see "Setting up tax rates and agencies" on page 50 of the *User's Guide.*

Do you want to track customers by type?

Customer types are optional; they allow you to classify your customers (for example, corporate or individual, residential or commercial, or any way that makes sense to your business. If you want to see reports by customer type, it's a good idea to assign a type to every customer. (You don't have to assign types right away. They can be added at any time.)

Do you track sales by employee?

QuickBooks allows you to associate each customer with an employee. All sales for an employee's customers appear under the employee's name on a sales reports by rep. If you want to associate customers with employees, you may want to set up your Employee list first.

Adding names

If some customers owed you money as of your QuickBooks start date, add each of these customers to the list now so your accounts receivable will be accurate as of your start date.

You can also add other regular customers now.

> **To add a customer to the Customer:Job list:**

1. From the Lists menu, choose Customers:Jobs.

The Customer:Job List window lists all your customers and their jobs (indented under the customer name).

All names are alphabetical initially, but you can drag a name to a different position.

Customer:Job List	
Name	**Balance**
◦ Abercrombie, Kristy	0.00
◆ Courtney, Ed	0.00
◆ Crawley, Donna	0.00
◆ bath repair	0.00
◆ Foundation repair	0.00
◆ Faulds, Scott	0.00
◆ Gomes Bicycles	2,360.00
◆ Dry rot repair	2,360.00
◆ New warehouse	0.00
◆ J. B. Ward Elementary School	0.00
◆ Jacobs	0.00

Use | QuickReport | New | Edit | Add Job—

Click New to add a new customer.

Click Edit to change the selected customer or job.

Click Add Job to add a new job for the selected customer.

2. In the Customer:Job List window, click New.

3. Fill in the New Customer window.

Enter the name, address, phone number, terms, and other basic information.

Leave blank the fields you don't need.

For help with individual fields, press ⌘ ?.

New Customer	
Customer	Johnson, Greg and Kate
Contact	
Alt. Contact	
Bill to	Greg and Kate Johnson / 3003 Lantana Street / Sycamore, CA 90000

Phone 555-3948
Fax 555-9662
Alt. Phone 555-3694 (Kate, work)
Ship to
Type From referral

✔ OK
✘ Cancel
▶ Next

Credit Limit
Terms 1% 10 Net 30
Rep BP

Resale No.
☒ Customer is taxable
Tax Item State tax

Opening Balance 0.00 as of 11/16/94

Enter initials in the **Rep** field to associate one of your employees with all sales to this customer.

Enter the unpaid balance as of your start date unless you are planning to set up one or more jobs for this customer.

Clear the **Taxable** checkbox if this customer is not taxable.

If you have more than one sales tax, enter the sales tax for this customer. If the customer is out of state, enter Out of State.

4. Record the information.

- To record and enter another customer, click Next.
- To record and close this window, click OK.

QuickBooks adds the customer to your Customer:Job list.

If you entered an opening balance, QuickBooks enters an invoice for that amount. (It assigns the income for this invoice to the account Uncategorized Income.)

➤ **To add a job for a customer on the list.**

1. **From the Lists menu, choose Customers:Jobs.**

2. **In the Customer:Job List window, click Add Job.**

3. **Fill in the New Job window.**

Enter the name of this job.

The job is for this customer.

QuickBooks fills in the address and other basic information for this customer, but you may change these fields.

Leave blank the fields you don't need.

For help with individual fields, click the Help icon or press 1 -?.

```
┌──────────────────────── New Job ────────────────────────┐
│ Job Name   Rafting trip        Phone    555-6745      ✓ OK     │
│ Job For    Pamela Reese  ▼     Fax                    ✗ Cancel │
│ Contact    Pamela Reese        Alt. Phone             │
│ Alt. Contact                   Ship to               │
│ Address    Pamela Reese                              │
│            85 Route 299, NE                          │
│            Trinity , CA 96549                        │
│                                Type  From advertisement ▼ │
│ Opening Balance  0.00   as of  11/18/94              │
└──────────────────────────────────────────────────────┘
```
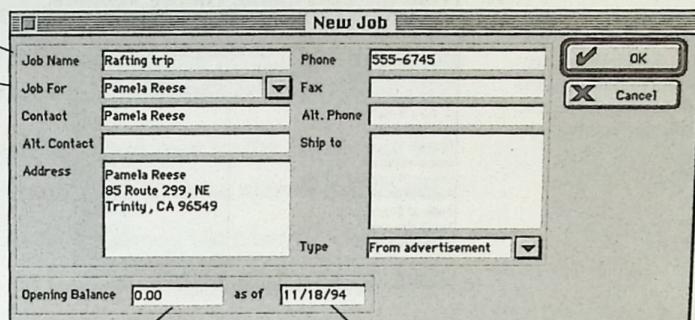
Enter the unpaid balance for this job as of your start date.

Enter your start date here.

4. **Record the information by clicking OK.**

QuickBooks adds the job under the customer name on your Customer:Job list. The balance for the customer includes the balance for each job.

Vendor list

The QuickBooks Vendor list has information about your vendors. You'll use it for the following:

- Fast entry of name, address, payment terms, and account number on bills, purchase orders, and checks
- Tracking bills received and amounts owed
- Reporting by vendor of: amounts owed and aging; expenses; items purchased; Form 1099 information about contractors
- Printing mailing labels

If you owed some vendors money as of your QuickBooks start date, add each of these vendors to the list now so your accounts payable will be accurate as of your start date.

You can also add other regular vendors now.

- If you want to enter unpaid bills for a vendor, the name must be on your Vendor list.
- If you have a regular vendor whom you pay at time of purchase by credit card or check, you may put the name either on your Vendor list or your Other Names list. See "Other names" on page 236 of the *User's Guide.*

➤ **To add a vendor to the Vendor list:**

1. **From the Lists menu, choose Vendors.**

The Vendor List window lists all your vendors (including the tax agencies to whom you turn over the sales tax you collect).

Vendor List	
Name	Balance
Cranky's Auto Repair	0.00
Cristi Building Supply & Hardware	1,291.00
Deposit	0.00
Dumanian Bros. Tile	0.00
Emker Stucco and Siding	0.00
Fanta's Tree Farm	0.00
Federal Express	0.00
Frech Electric	0.00
Fritz Appliances	0.00

Use   QuickReport   New   Edit

Click New to add a new vendor.

Click Edit to change the selected vendor.

2. **In the Vendor List window, click New.**

3. **Fill in the New Vendor window.**

Enter the name, address, phone number, terms, and other basic information.

Leave blank the fields you don't need.

For help with individual fields, click the Help icon or press 1-?.

New Vendor	
Vendor	Pemberton Designs
Contact	Gregory Pemberton
Address	Pemberton Designs 990 Sears Ranch Road Sycamore, CA 90000
Phone	555-0930
Alt. Phone	555-0692 (pager)
Fax	555-0963
Type	Design
Print on Check as	Pemberton Designs, Inc.

OK   Cancel   Next

Credit Limit [   ]   Tax ID [   ]   Terms 1% 10 Net 30

When you pay bills for this vendor, QuickBooks puts the account number in the Memo field of the check it writes.

Account No./Memo   Acct# 7479662-105

Opening Balance 0.00   as of 11/16/94

Enter the unpaid balance as of your start date.

Enter your start date.

4. **Record the information.**

- To record and enter another vendor, click Next.

- To record and close this window, click OK.

QuickBooks adds the vendor to your Vendor list. It records a bill for the opening balance and assigns the amount to Uncategorized Expenses.

Employee list

The QuickBooks Employee list has information about your employees. You'll use it for the following:

- Fast entry of name and address on checks
- Tracking payroll expenses and withholding
- Tracking sales income by employee

➤ **To add an employee to the Employee list:**

1. **From the Lists menu, choose Employees.**

2. **In the Employee List window, click New.**

3. **Fill in the New Employee window.**

If you enter these initials in the **Rep** field of the New Customer window or a sales form, QuickBooks associates sales with this employee.

Each employee on your list must have unique initials. Delete the middle initial or add a number if necessary.

If you have payroll turned on, this window has two tabs:

- General Info
- Payroll Info

For information about filling in the Payroll Info tab, see Chapter 4.

New Employee

Information for: Earnest V Nation

General Info	Payroll Info

First	Earnest	M.I. V	Last	Nation
Initials	EVN		SS No.	111-22-3333
Phone	555-7894		Alt. Phone	
Address	Earnest V. Nation 46 Orange Avenue Sycamore, CA 90000		Hired	8/12/94
			Released	

OK   Cancel   Next
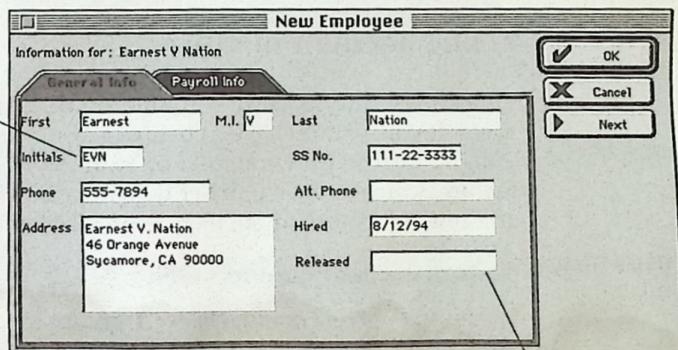
You cannot write a paycheck for this employee dated after the "Released" date.

4. **Record the information.**
   - To record and enter another employee, click Next.
   - To record and close this window, click OK.

   QuickBooks adds the employee to your Employee list.

Chart of accounts

Your chart of accounts is your most important list. You use it to track how much money your company has, how much money it owes, how much money is coming in, and how much money is being spent. (If you're not familiar with a chart of accounts, see "Your accounts" on page 4 of the *Business Guide*.)

If you chose a preset chart of accounts, you'll probably want to add a few accounts, delete a few accounts, or maybe just edit some accounts in the chart you chose. If you didn't choose a preset chart of accounts, you'll need to add all your accounts.

You can customize the chart of accounts by adding, moving, editing, renaming, or deleting accounts.

> **You can edit your chart of accounts at any time.**
>
> Make those changes now that will help you assign items you sell or purchase to the correct income or expense accounts. Also make those changes that will help you get a good balance sheet as of your start date.

Using account numbers

QuickBooks allows use of account numbers, but you don't have to use them. If you already have a chart of accounts that uses account numbers, you can turn account numbers on in Transaction Preferences. When this feature is turned on, a number field appears whenever you enter a new account. If it is turned off, there is no number field.

➤ **To turn account numbers ON:**

1. From the Prefs menu, choose Transactions.

2. Select the "Use account numbers" checkbox.

3. Click OK.

Reviewing your chart of accounts

➤ **To view the chart of accounts:**

1. **From the Lists menu, choose Chart of Accounts.**

You see numbers only if the account numbers preference is on (see page 40).

Name	Type	Balance
◆1105 – Checking	Bank	5,674.00
◆1100 – Payroll Checking	Bank	3,486.51
◆1110 – Petty Cash	Bank	1,007.52
◆1200 – Accounts Receivable	Accounts Receivable	50.00
◆1250 – Employee Advance	Other Current Asset	100.00
◆1350 – Inventory	Other Current Asset	2,342.24
◆1499 – Undeposited Funds	Other Current Asset	0.00
◆1400 – Fixed Assets	Fixed Asset	0.00
◆1420 – Accumulated Deprecia	Fixed Asset	0.00
◆2000 – Accounts Payable	Accounts Payable	3,365.55
◆2050 – Visa Gold–Travelers Bank	Credit Card	520.00
◆2100 – Payroll Liabilities	Other Current Liability	6,518.94
◆2200 – Sales Tax Payable	Other Current Liability	12,640.54
◆2300 – Loan Payable	Long Term Liability	44,427.38

Window title: **Chart of Accounts**

Buttons: Use | Use Register | New | Edit

When you enter open balances for customers and vendors, QuickBooks adjusts your Accounts Receivable and Accounts Payable balances.

Click New to add a new account.

Click Edit to change the selected account.

Use the scroll bar to view income and expense accounts, which are below all your balance sheet accounts.

2. **To print the entire chart of accounts, choose Print List from the File menu. In the Print Report window, click Print.**

   QuickBooks prints the chart of accounts on the printer you have selected in the Chooser. For more about printing lists, see "Printing a list" on page 230 of the *User's Guide*.

   You may want to review the printed chart of accounts with your accountant before making changes.

Adding new accounts to your chart of accounts

➤ **To add new accounts:**

1. **From the Lists menu, choose Chart of Accounts.**

2. **Click New in the Chart of Accounts window.**

3. **Fill in the New Account window, but do not enter an opening balance.**

   The opening balance and start date fields don't appear when you're adding an income or expense account.

QuickBooks displays an account number field if you have account numbers turned on in Preferences. (See page 40.)

New Account

Type	Bank	✔ OK
Number	1100	✘ Cancel
Name	Checking	▶ Next
Description		
Bank No.	19365-09839	

☐ Subaccount of

Opening Balance 0.00   as of 11/18/94

Choose from among all possible QuickBooks account types on the drop-down list. For more information, press ⌘ ? or see Chapter 20, *Working with your chart of accounts*, beginning on page 247 of the *User's Guide*.

To make this new account a subaccount, select the "Subaccount of" checkbox, and choose the parent account here.

For balance sheet accounts, do not enter any opening balance. You will adjust opening balances later (page 45).

4. **Record the information.**

- To record and enter another account, click Next.
- To record and close this window, click OK.

   QuickBooks adds the new account to your chart of accounts. You can add more accounts at any time.

Editing and deleting accounts

You can edit any account, even if it was created by QuickBooks. For example, if you change the name of the QuickBooks-created account called "Opening Bal Equity" to "Owner's Equity," QuickBooks knows it's still the same account. You can also change most account types.

➤ **To edit an account:**

1. From the Lists menu, choose Chart of Accounts.

2. Select the account you want to change and click Edit.

3. In the Edit Account window, type over the name or make any other changes you wish.

4. Click OK.

   QuickBooks makes your changes to the account in the chart of ac-counts and in any existing transactions that have been assigned to the account.

➤ **To delete an account:**

1. From the Lists menu, choose Chart of Accounts.

2. Select the account you want to delete.

   QuickBooks will not allow you to delete an account used in any trans-actions.

You can't delete an account that has subaccounts until you've deleted the subaccounts.

3. **From the Edit menu, choose Delete Account.**

4. **Click OK to confirm that you want to delete the account.**
   QuickBooks deletes the account from the chart of accounts.

Rearranging your chart of accounts

QuickBooks' chart of accounts is arranged in an outline format, so you can group accounts that belong together or that are "subaccounts" of another account. For example, an expense account named "Auto" can have the subaccounts "Gas," "Insurance," and "Maintenance."

You can move any of your accounts to a new position in the chart of accounts. QuickBooks initially arranges your accounts in alphabetical order within account type (unless you use account numbers, in which case QuickBooks arranges the accounts numerically). But this organization may not best serve your company's needs. You can move accounts around within the list to create an order that is most useful for you. QuickBooks remembers the order you create.

If you move a first-level account so that it is a subaccount or move a subaccount so that it is a higher-level account, QuickBooks immediately makes the change in all transactions that have been assigned to the moved accounts. (You cannot move an account in a way that would change its type. For example, you cannot make an expense account a subaccount under an income account. However, you can change the type of most accounts by editing the account.)

To move an account to a new position in the list, position the mouse pointer over the diamond to the left of the account name. When the pointer changes to a 4-pointed arrow, click and drag the account to its new position.

You can arrange your accounts like an outline. (Here, Accumulated Depreciation is under Fixed Assets.)

Chart of Accounts

Name	Type	Balance
◆1105 — Checking	Bank	5,674.00
◆1100 — Payroll Checking	Bank	3,486.51
◆1110 — Petty Cash	Bank	1,007.52
◆1200 — Accounts Receivable	Accounts Receivable	50.00
◆1250 — Employee Advance	Other Current Asset	100.00
◆1350 — Inventory	Other Current Asset	2,342.24
◆1499 — Undeposited Funds	Other Current Asset	0.00
◆1400 — Fixed Assets	Fixed Asset	0.00
✛◆1420 — Accumulated Deprecia	Fixed Asset	0.00
◆2000 — Accounts Payable	Accounts Payable	3,365.55
◆2050 — Visa Gold-Travelers Bank	Credit Card	520.00
◆2100 — Payroll Liabilities	Other Current Liability	6,518.94
◆2200 — Sales Tax Payable	Other Current Liability	12,640.54
◆2300 — Loan Payable	Long Term Liability	44,427.38

| Use | Use Register | New | Edit |

The exact chart of accounts you'll see depends on the business type you chose when you created the company.

➤ **To move accounts within the list:**

1. **From the Lists menu, choose Chart of Accounts.**

2. **Position the mouse pointer over the small diamond to the left of the account name you want to move. The mouse pointer becomes a 4-pointed arrow, indicating that you can drag the account up, down, left, or right.**

3. **Hold the mouse button down and drag the account to its new location.**

   When you move an account that has subaccounts, the subaccounts move along with the account you're moving.

Item list

The QuickBooks Item list has information about the following:

- What your company sells (goods and services)
- Miscellaneous charges, payments, and discounts you enter on sales forms
- Sales tax you collect from customers
- (Optional) What your company purchases for its own use

You'll use the Item list for the following:

- Fast entry of goods, services, and other charges on invoices, cash sales receipts, credit memos, purchase orders, bills, checks, and credit card receipts
- Tracking sales quantity and income by item
- Tracking purchase quantity and costs by item
- Tracking inventory of goods you buy for resale
- Calculating and tracking sales tax collected

QuickBooks can track inventory only for finished goods purchased for resale. If you have this kind of inventory, add inventory items to your Item list so that the value of your inventory as of the start date is part of your overall assets on that date.

You may want to add noninventoried goods you sell—or services you provide—to your Item list now so that you are ready to use them on sales forms.

For detailed instructions about adding items to your Item list, see Chapter 2, *Tracking items you buy, sell, or resell*, beginning on page 27 of the *User's Guide*.

$ Step 6: Enter opening balances

This section explains how to determine and enter the opening balance amounts for each balance sheet account on your QuickBooks chart of accounts.

Entering an accurate opening balance for each balance sheet account as of your start date is important for these reasons:

- An accurate opening balance gives you an accurate balance sheet and, therefore, a true picture of your company's finances: how much it owes and how much it owns.

- You can reconcile your QuickBooks bank accounts with your bank statements if you start with an accurate balance as of a specific date. You won't risk bouncing checks because your QuickBooks checking account will reflect the amount of money actually in the bank.

If possible, start from an accountant's balance sheet.

Determining your opening balances will be easier if you have a balance sheet as of your start date to use as a guide as you enter opening balances into QuickBooks. For many accounts, you can take the opening balance from the balance sheet.

If you don't have a balance sheet, calculate your opening balances.

As you calculate opening balances for each of your company's balance sheet accounts, write them down to use later when you enter the balances.

Don't worry if you're uncertain about your opening balances.

You can adjust opening balances for any account even after you've been using the account for a while. If you're eager to get started using Quick-Books, you can start using an account now with an approximate balance. (Remember, the balances should be corrected at some point!)

When you're ready to correct the opening balance, see "Editing your opening balances" on page 48.

Determining amounts for account opening balances

The following table lists the types of balance sheet accounts in QuickBooks and explains how to determine the opening balance for each type.

Type of account	How to determine the opening balance
Bank EXAMPLES: Checking Savings Money fund	The opening balance for a QuickBooks bank account is the dollar amount you have in the bank on your start date. You can determine this amount in two ways: **Use your bank statement** You can use the ending balance on the last bank statement before your start date. *At some point, you will need to enter into QuickBooks any transactions that occurred before your start date and that do not appear on the statement you're using or on any statement before that.* **Use a balance sheet** You can also use your bank account balance from a financial statement (ordinarily a balance sheet) prepared by your accountant. Ideally, this would be a balance sheet prepared as of the end of a fiscal period, when your start date is that same date. (For example, if your start date is March 31, a balance sheet dated March 31 would be best.)
Accounts Receivable (A/R)	After you enter the unpaid balance for each customer (or job) as of your start date (page 36), the opening balance of your QuickBooks A/R account equals the sum of the customer balances.
Other Current Asset Fixed Asset Other Asset	For an asset account, the opening balance is the worth of the asset as of your start date. For an asset account that tracks inventory of items you purchase for resale, the opening balance of the account equals the sum of the values of each inventory item you have added to your Item list (page 44). **If you track depreciation** For each fixed asset account, create two subaccounts called Cost and Accumulated Depreciation. The opening balance of the Cost account is the purchase price of the asset; the opening balance of the Accumulated Depreciation account is the total depreciation taken (a *negative* number), as of your start date.
Accounts Payable (A/P)	After you enter the unpaid balance for each vendor as of your start date (page 38), the opening balance of your QuickBooks A/P account equals the sum of the vendor balances.
Credit Card	The opening balance for a credit card account is the dollar amount you owed on the card as of your start date. Use the ending balance on the last statement before your start date. Then enter any transactions that occurred before your start date and that do not appear on the statement you're using or any statement before that.

Type of account	How to determine the opening balance
Other Current Liability Long Term Liability	Do not enter a minus sign when you enter opening balances for liabilities. Quick-Books automatically recognizes that the balance represents money owed. For a sales tax payable account, the opening balance is the amount you owed as of your start date. For a long-term or short-term loan, the opening balance is the loan balance as of your QuickBooks start date.
Equity	The equity in your business includes money you put into the company (your capital investment) plus the sum of the retained earnings (the net profit or loss) for each year the company has been in business. When you enter your first opening balance, QuickBooks creates an equity account called "Opening Bal Equity." This account is a device to ensure that you can get a balanced balance sheet even before you have entered all of your company's assets and liabilities. We recommend that most people regard the Opening Bal Equity account as a tool that QuickBooks uses to get you started. It's best to add one or more additional equity accounts to track your owner's investment and draws. (QuickBooks creates a retained earnings account automatically.) Distribute earnings (or loss) from before your QuickBooks start date to the retained earnings account QuickBooks set up for your company. See *Chapter 17, Using equity accounts,* beginning on page 215 of the *User's Guide.*

Entering opening balances

If you've used a preset chart of accounts, you have many balance sheet accounts with no opening balances. You can enter an opening balance easily as long as you have not yet used the account (for example, to record a check or deposit).

If the opening balance of an account is really 0.00 as of your start date, you don't have to enter any more information for that account.

➤ **To enter an opening balance for an unused balance sheet account:**

1. **From the Lists menu, choose Chart of Accounts.**

2. **In the Chart of Accounts window, select the unused account (it will show a balance of 0.00) and click Edit.**

3. **In the Edit Account window, enter the amount in the Opening Balance field and the start date in the "as of" field.**

These fields are in the Edit Account window only if the account is unused.

```
┌─────────────── New Account ───────────────┐
│ Type        Bank                 ▼   ┌─────────┐
│                                     │ ✔  OK   │
│ Name        Checking                ├─────────┤
│ Description                         │ ✘ Cancel│
│ Bank No.    54876-09635             ├─────────┤
│                                     │ ▶ Next  │
│       ☐ Subaccount of               └─────────┘
│       ┌──────────────────────┐
│       └──────────────────────┘
│ Opening Balance  2,457.36   as of   11/18/94
└────────────────────────────────────────────┘
```
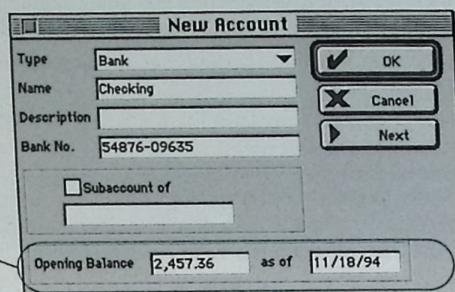
4. **Click OK to record.**

> **Opening balances for income and expense accounts**
>
> If you know your income and expenses for the year to date through your start date, you can enter them as a special transaction in the General Journal Entry window. See "Adjusting for midyear setup" on page 51.
>
> If your start date is the end of your fiscal year, there is no need to enter any income and expenses for the completed fiscal year. The net income for the year is company earnings. QuickBooks has created an equity account, called Opening Bal Equity, that has all your company equity, whether it's from investments or earnings. You can move equity and earnings to other equity accounts; see "Transferring money out of Opening Bal Equity" on page 217 of the *User's Guide*.

Editing your opening balances

After you've started to use an account, you may need to correct your original opening balance.

You may even want to change your start date. For example, suppose you originally decided to use the end of last fiscal year as your start date, but now you want to change to the end of last quarter. QuickBooks lets you change your start date. However, you'll need to re-figure all your balance sheet opening balances as of your new start date and enter the new opening balances.

➤ **To change an existing opening balance for an account:**

1. **From the Lists menu, choose Chart of Accounts.**

2. **Select the account whose opening balance you want to edit.**

3. **Click Use Register.**

4. **Find the "opening balance" transaction in the register.**

The opening balance transaction is likely to be the first one in the register, since the register sorts transactions by date.

Look for "Opening Bal Equity" in the **Account** field. This is the equity account QuickBooks assigns to an opening balance transaction.
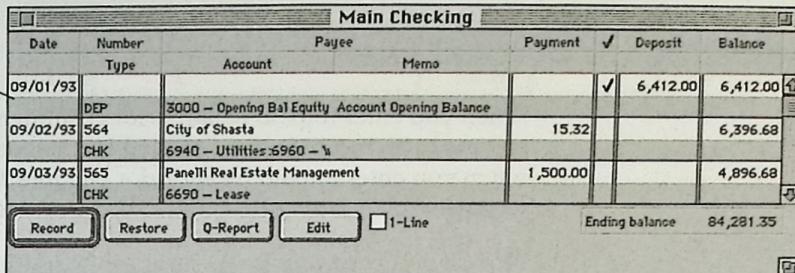
Date	Number	Payee		Payment	✓	Deposit	Balance
	Type	Account	Memo				
09/01/93					✓	6,412.00	6,412.00
	DEP	3000 — Opening Bal Equity	Account Opening Balance				
09/02/93	564	City of Shasta		15.32			6,396.68
	CHK	6940 — Utilities :6960 — ¼					
09/03/93	565	Panelli Real Estate Management		1,500.00			4,896.68
	CHK	6690 — Lease					

Main Checking

Record   Restore   Q-Report   Edit   ☐ 1-Line   Ending balance   84,281.35

5. **(If you are changing your start date) Change the date of the transaction to your new start date.**

6. **Change the amount to the correct opening balance.**

   You cannot change any amounts in the **Balance** column. Instead, change the amount to the left of the **Balance** column. The heading for this column depends on the type of account:

   • In a bank account, change the amount in the **Deposit** column.

   • In an asset, liability, or equity account, change the amount in the **Increase** column.

   • In a credit card account, change the amount in the **Charge** column.

7. **Click Record to save the changes.**

   QuickBooks adjusts the account balance from the start date forward.

➤ **To change the opening balance for a customer or a vendor:**

1. **From the Lists menu, choose Chart of Accounts.**

2. **Select Accounts Receivable (for a customer) or Accounts Payable (for a vendor).**

3. **Click Use Register.**

4. **Select the customer or vendor's "opening balance" transaction in the register.**

5. **For a customer: Click Edit. On the invoice QuickBooks created, change the amount in the Amount field and then click OK.**

   For a vendor: Change the amount in the Billed field and click Record.

$ Step 7: Enter optional adjustments

Adjusting for accrual basis

When you enter unpaid balances for customers, QuickBooks assigns the income to an income account called Uncategorized Income. Similarly, when you enter unpaid balances for vendors, QuickBooks assigns the expenses to an expense account called Uncategorized Expenses.

Now, if you keep your books on a cash basis (that is, you recognize income when you receive payment), QuickBooks does not show these two accounts on your profit and loss statement until payment occurs. This is what you expect. You do not need to make any adjustments.

However, if you keep your books on an accrual basis (that is, you recognize income when you make the sale), QuickBooks shows these two accounts on a profit and loss statement as of your start date. You may want to make an adjustment so that the income from all invoices and expenses from all bills before the start date are treated the same way, regardless of whether payment has occurred. This adjustment is optional.

➤ **To adjust for Uncategorized Income:**

1. From the Lists menu, choose Chart of Accounts.

2. Select the income account called Uncategorized Income.

3. Click QuickReport.

4. (If the report lists no amounts) In the Dates field, change to Last Year.

5. Write down the total amount for all the customer opening balance transactions. (You may have to scroll to the bottom of the report.)

6. Return to the Chart of Accounts window and select the equity account called Opening Bal Equity.

7. Click Use Register.

8. **In the empty transaction at the bottom of the register, enter a transaction like the one below.**

Enter your start date.

Date	Number	Payee		Increase	✓	Decrease	Balance
	Type	Account	Memo				
12/31/92				200.00			200.00
	GENJRNL	Uncategorized Inc					

Opening Bal Equity

In the **Account** field, enter
Uncategorized Income.

In the **Increase** field,
enter the amount.

9. **Click Record to record the transaction.**

➤ **To adjust for Uncategorized Expenses:**

1. **From the Lists menu, choose Chart of Accounts.**

2. **Select the expense account called Uncategorized Expenses.**

3. **Follow Steps 3 through 7 of the previous procedure.**

4. **In the empty transaction at the bottom of the register, enter a transaction like the one below.**

Enter your start date.

Date	Number	Payee		Increase	✓	Decrease	Balance
	Type	Account	Memo				
12/31/92						350.00	-350.00
	GENJRNL	Uncategorized Expense Adjustment					

Opening Bal Equity

In the **Account** field, enter
Uncategorized Expenses.

In the **Memo** field, you
can enter "Adjustment."

In the **Decrease** field,
enter the amount.

5. **Click Record to record the transaction.**

Adjusting for midyear setup

If you are setting up with a midyear start date (a date not at the end of your fiscal year) AND you know what your income and expenses are for the period from the beginning of the fiscal year through the start date, you can enter an adjustment for them. Then you will have an accurate profit and loss statement in QuickBooks for the period starting with the beginning of the fiscal year and ending on any date after your start date.

If you do not make this adjustment for the current fiscal year, you will have to add the income from your old records, covering the period up through the start date, to the income in QuickBooks for the period beginning with the day after the start date. Similarly, you will have to add the expenses from your old records to the expenses in QuickBooks.

Have ready a year-to-date profit and loss statement (also called an income statement) for the current fiscal year, through your start date. If the names of the income and expense accounts do not match those in your Quick-Books chart of accounts, be sure you know which QuickBooks account is equivalent to each account on the statement.

➤ **To adjust income and expenses for midyear setup:**

1. From the Activities menu, choose Enter Special Transactions.

2. In the General Journal Entry window, enter your start date.

Enter your midyear start date here.

In this example, the first line is for the year-to-date net profit.

The next 5 lines are for 5 subaccounts of the Sales income account.

The remaining lines are for expense accounts.

	General Journal Entry				
Date	03/31/94				Next
Entry No.			✔ OK	✘ Cancel	
Account	Debit	Credit	Memo	Name	
Opening Bal Equit	6,982.66				
Sales:item sales		456.00			
Sales:Labor incor		20,480.00			
Sales:Markup ino		12,873.07			
Sales:Materials i		25,985.33			
Sales:Subcontrac		2,710.00			
Bank Charges	2.64				
Bond Expense	225.00				
Discount expense	510.92				

3. **On the first line of the detail area:**
   - In the **Account** field, enter Opening Bal Equity.
   - In the **Debit** field, enter your net year-to-date profit from the statement. (If the amount is a loss, enter it in the **Credit** field instead. Do not enter a minus sign.) Your net year-to-date profit equals the sum of all your year-to-date income minus the sum of all your year-to-date expenses.

4. **For each income account on the statement, enter a new line:**
   - In the **Account** field, enter the name of the QuickBooks income account.
   - In the **Credit** field, enter the year-to-date amount for that income account.

5. **For each expense account on the statement, enter a new line:**
   - In the **Account** field, enter the name of the QuickBooks expense account.
   - In the **Debit** field, enter the year-to-date amount for that expense account.

6. **Record by clicking OK.**

Distributing earnings and equity from before your start date

After you have entered all of your opening balances and made other adjustments, you may want to move the amount in Opening Bal Equity to your other equity accounts. This is an optional adjustment for people who like to identify retained earnings or the equity of several owners. For steps to transfer money out of Opening Bal Equity, see "Transferring money out of Opening Bal Equity" on page 217 of the *User's Guide*.

> **Tip: Create reports to check your adjustments.**
>
> After you've made your adjustments, you can create a profit and loss statement and a balance sheet to check that QuickBooks has the right numbers. For each report, make the date range of the report be the fiscal year to date that ends with your start date.
>
> • For a profit and loss statement: From the Reports menu, choose Profit and Loss and then choose Standard.
>
> • For a balance sheet: From the Reports menu, choose Balance Sheet and then choose Standard.

$ Step 8: Back up your company data

You should make a backup copy of each of your QuickBooks companies regularly. QuickBooks will do the backup for you.

We recommend that you back up your data onto a floppy disk at the end of each session and rotate among several backup disks. Or, if you are on a network, back up your data to a network drive. In addition, it's a good idea to make archive copies of your data at regular intervals to keep off your premises. (See "Recommended backup routine" on page 377 of the *User's Guide* for more suggestions about backing up.)

Backup copies are important insurance, because in the event of a data loss, you can restore your data from a backup copy. You might lose data if you delete data by mistake, if your hard disk fails, or if your computer is stolen or damaged.

Backing up company data

The QuickBooks Back Up command does not simply copy the data file for your QuickBooks company. Instead, it compresses the data into a much more compact backup file.

1. **From the File menu, choose Back Up.**

2. **In the backup window, check the drive and folder shown.**

To change to a different drive, click this arrow and choose the correct drive from the drop-down list.

🗁 financial backup ▼	🖫 backup disk
⬆	**Eject**
	Desktop
	New 🗀
⬇	
Back Up Company to ...	**Cancel**
Macadamia finances Backup	**Save**
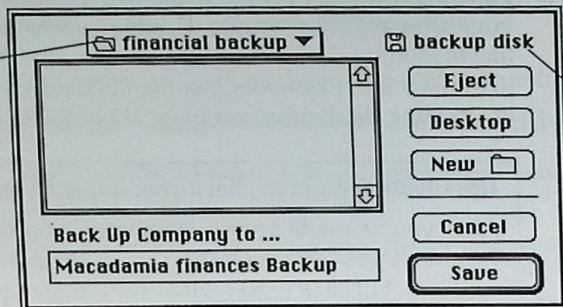
In this example, Macadamia Construction is backing up its financial data to a floppy disk called "Backup disk."

- If you're backing up onto a floppy disk, be sure a formatted disk is in the disk drive.
- If necessary, specify a different folder or drive.

3. **In the Back Up Company to... field, enter a name for your backup file.**

4. **Click Save.**

   If you are backing up onto a floppy disk and the compressed backup file doesn't fit on one disk, QuickBooks prompts you to insert another disk.

   If you already have a backup file with the same name, QuickBooks asks if you want to replace it. If you do not want to replace it, give the new backup file a different name.

   To back up a file for a different company, close the current file and open the file you want. Then back up.

$ What to do next

Your company is now set up as of your QuickBooks start date, except for payroll tracking.

- If you plan to use QuickBooks for payroll, continue with Chapter 4, *Setting up payroll*, beginning on page 57.
- If you don't plan to use QuickBooks for payroll, but you have transactions between your start date and today, continue with Chapter 5, *Entering historical transactions*, beginning on page 107.
- If you don't plan to use QuickBooks for payroll and your start date is today, you are all set up!

Adjusting preferences

QuickBooks has a number of preferences you can change to customize the way it works or the way it tracks the business of a given company.

For example, you can specify whether you want it to do the following:

- Report income and expenses on a cash basis or on an accrual basis
- Automatically recall the last transaction for a vendor
- Show the Reminders list when QuickBooks starts
- Use a customized format for sales forms or purchase orders

To learn about all the preferences, see Chapter 26, *Customizing preferences,* beginning on page 323 of the *User's Guide.*

If your start date is earlier than today

Your start date is probably the last day of some period in the past. Now you have to enter all the transactions that have occurred after your start date. You can enter these historical transactions later, after you start using QuickBooks. However, your balances in QuickBooks will not be up to date until you do enter them.

For instructions on entering these transactions, see Chapter 5, *Entering historical transactions,* beginning on page 107.

If your start date is today and you don't plan to use payroll

You have finished setting up your company!

When you've entered your opening balances as of your start date, you're ready to record regular transactions such as invoices, bills, and payments as they occur. Try using the onscreen Help system or Balloon Help if you need help with any of the QuickBooks windows. The *User's Guide* also contains detailed instructions about each bookkeeping task.

We encourage you to look at reports often when you're beginning with QuickBooks, to make sure your chart of accounts is set up in a useful way and that you're classifying transactions (using job tracking, class tracking, or both) in a way that is helpful to your company. Of course, you can edit the chart of accounts (or any other list) any time, but it's easier to make changes when you've recorded only a few transactions.

CHAPTER 4

Setting up payroll

This chapter is about the built-in payroll function in QuickBooks. Skip this chapter if you do not have employees.

Before you can use the payroll function, be sure it is turned on. If you set up a new company and told QuickBooks you pay employees, it should be on already.

➤ **To turn on the payroll function in QuickBooks:**

1. **From the Preferences menu, choose Payroll.**

2. **Select the preference On if it is not already selected.**

Be sure that **On** is selected. (Click the circle to put the black circle inside it.)

Payroll Preferences

QuickBooks Payroll
◉ On
○ Off

Employee Template...

✔ OK
✘ Cancel
Help

Printing
☒ Print employee address on check voucher.
☐ Print company address on check voucher.
☒ Print pay period end date in check memo.
☐ Hide pay rate on Select Employees to Pay window.
☒ Recall quantity field on paychecks.

For information about other fields in this window, see "General payroll preferences" on page 423 of the *User's Guide.*
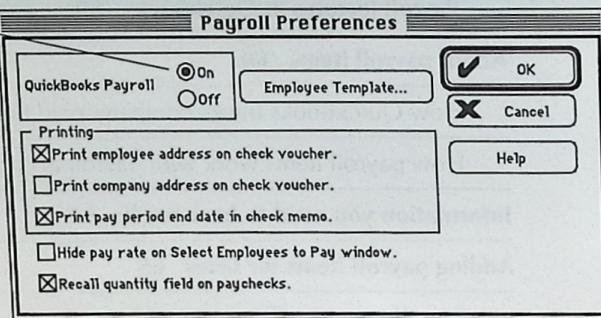
When payroll is on, your Lists menu has Payroll Items, your Activities menu has Payroll, and your Reports menu has Payroll Reports.

Furthermore, your New or Edit Employee window has a Payroll Info tab for entering payroll information. The Password Preferences window has a field for entering a payroll password.

3. **Click OK to record.**

$ Overview of payroll in QuickBooks

With QuickBooks, you can process your own payroll. What was once a long and tedious task now requires just a few keystrokes.

Important: You must have up-to-date payroll tax tables.

QuickBooks comes with payroll tax tables built in, accurate as of the date we manufactured your program disk. However, to be sure you continue to have the most recent tax tables, subscribe immediately to the QuickBooks Tax Table Update Service. QuickBooks cannot compute payroll taxes accurately unless you have up-to-date tax tables. For details, see the sign-up form enclosed in the QuickBooks package. See also "Updating tax tables" on page 425 of the *User's Guide.*

Payroll features in QuickBooks

QuickBooks does all of the following tasks for you:

- Calculates gross wages each pay period
- Calculates federal, state, and local taxes for the United States of America, including the District of Columbia and Puerto Rico. (QuickBooks does not calculate taxes for Guam, the Virgin Islands, or Canada.)
- Writes your company's payroll checks, showing detail of deductions in voucher area
- Pays employees daily, weekly, biweekly, semimonthly, monthly, quarterly, or yearly
- Handles all kinds of compensation: salary, hourly (including overtime), commission, or a combination
- Allows you to specify extra taxes or deductions in addition to all the standard ones, and apply them to all or to individual employees
- Tracks company loan repayments, 401(k) deductions, tips, union dues, bonuses, car expenses, and many other nonstandard payroll items
- Observes deduction ceilings for taxes and other deductions
- Tracks your company's liabilities to the government, insurance companies, and so on
- Writes checks to pay off your company's liabilities
- Records employee details such as pay and commission rates, social security number, tax exemptions
- Generates payroll reports to help you fill in your quarterly and yearly federal and state tax forms
- Calculates and tracks hours worked, keeps year-to-date totals for all employees, and shows this information on payroll reports
- Works with numerical payroll accounts or customized payroll account names

What QuickBooks CANNOT do for you:

QuickBooks doesn't print any tax forms. However, you can learn how to get the necessary figures from your payroll reports in "Filing payroll tax forms" on page 409 of the *User's Guide*.

$ About payroll items

QuickBooks maintains a list for everything that affects the amount on a payroll check and for every company expense related to payroll. This list is the Payroll Item list.

When you indicate you want to use payroll, QuickBooks creates a Payroll Item list with the following items for wages and federal taxes:

Payroll item name	Type	Associated with:
Salary	Yearly Salary	Salaried wages
Hourly Rate 1	Hourly Wage	Hourly wages
Hourly Rate 2	Hourly Wage	Hourly wages
Federal Unemployment	Federal Tax	Federal unemployment tax (FUTA)
Federal Withholding	Federal Tax	Federal income tax withheld
Medicare Company	Federal Tax	Medicare tax, company contribution
Medicare Employee	Federal Tax	Medicare tax, employee contribution
Social Security Company	Federal Tax	Social security tax, company contribution
Social Security Employee	Federal Tax	Social security tax, employee contribution

The names of the payroll items are what you'll see on payroll checks and in payroll reports. You may change any of these names; see "Changing payroll items" on page 417 of the *User's Guide*.

You'll need additional payroll items for each of the following (if relevant):

Payroll item type	Associated with:
State Withholding Tax	State income tax withholding
State Disability Tax	State disability insurance (paid by company or employee)
State Unemployment Tax	State unemployment insurance (paid by company or employee)

Payroll item type	Associated with:
Local Tax	Local tax (county, city, or district) that is on a predefined list in QuickBooks
Hourly Wage	A third (or more) hourly wage needed for a pay period; vacation wage; sick pay wage
Deduction	Union dues; loan repayments; employee-paid insurance; employee deductions for pension or 401(k); any local tax (county, city, or district) that is not on a predefined list in QuickBooks
Addition	Bonus or other addition to gross or after-tax pay
Commission	Commission calculated on an amount you must specify
Company Contribution	Company-paid contributions associated with each pay period

Later in this chapter (see "Adding payroll items for taxes" on page 65 and "Adding other payroll items" on page 74), you'll learn how to add the payroll items you need.

How QuickBooks tracks company-paid taxes and benefits

When they record a paycheck, some people are used to tracking only expenses for compensation and taxes that are withheld. They don't track company-paid taxes (such as unemployment tax) until the company actually pays them. Similarly, they don't track company-paid expenses for benefits until the company actually pays them.

QuickBooks, on the other hand, tracks company-paid taxes with each paycheck it writes. It also allows you to track company-paid benefits with each paycheck, through company contribution payroll items.

Here are some advantages of tracking company-paid taxes and company-paid expenses with the paycheck:

- You always have a record of how much tax you owe at any time, so you can plan to have the cash to pay it.
- For taxes (such as federal unemployment) that have an earnings cap, you can see when QuickBooks has reached the cap for an employee and stops accruing additional tax liability.
- When you track company-paid benefits with a paycheck, you can track the total cost to the company for each employee. The total cost equals compensation plus company-paid taxes plus company-paid benefits.

QuickBooks does not print any information about company-paid taxes and company-paid expenses on the employee paychecks. However, it tracks these expenses and liabilities so you can see them on payroll reports.

How payroll items work with payroll accounts

You work directly with payroll items as you do payroll tasks. Behind the scenes, QuickBooks tracks your payroll liabilities in an Other Current Liability account and your payroll expenses in an expense account. In order to keep your balance sheet and your profit and loss statement accurate, QuickBooks must associate the appropriate account or accounts with each payroll item.

When QuickBooks adds your initial payroll items for wages and federal taxes, it adds two accounts to your chart of accounts:

- Payroll Liabilities (an Other Current Liability account)
- Payroll Expenses (an expense account)

Whenever you create a new payroll item, QuickBooks helps you assign it to the correct account or accounts by prefilling the account name to use (but you can use a different name if you like).

Some payroll items simply deduct amounts from the employee's paycheck. For example, federal and state income tax withholding reduce the amount the employee receives, but are not expenses to the company. When you write the paycheck, your company is temporarily keeping these taxes, but you will turn them over to the government shortly. In the meantime, you have a tax liability, which QuickBooks tracks in the Payroll Liabilities account.

Some payroll items are pure company expenses. For example, a year-end bonus is an expense to the company. Salaries, wages, additions, and commissions are usually assigned to the Payroll Expenses account.

Some payroll items are a combination of liabilities and expenses. For example, the company-paid portion of social security creates an additional tax liability and is a company expense at the same time. Company-paid taxes and company contributions are usually assigned to both a liability account and an expense account.

It is possible for some types of payroll item (for example, a deduction that is a loan repayment) to be associated with an account other than a liability or an expense account.

More about liability accounts

Liabilities are the amounts you owe but have not yet paid. For each type of payroll liability, QuickBooks suggests using Payroll Liabilities (an Other Current Liability account).

When you do your payroll, QuickBooks calculates how much you owe for each tax, deduction, or company contribution payroll item and records it as a transaction in this liability account. With each payroll check you write, the balance of the liability account increases.

When you pay your payroll taxes or other payroll liabilities, QuickBooks decreases the balance of the liability account.

More about payroll expenses

Common company payroll expenses include gross pay, company-paid payroll taxes, and company-paid benefits for employees.

For each type of payroll expense, QuickBooks suggests using the Payroll Expenses account. Whenever you run your payroll, QuickBooks keeps track of your company's expenses for each employee. You can then see totals for these expenses on the payroll summary by employee report and on the profit and loss statement.

Customizing payroll accounts

You may change the names of the two payroll accounts that QuickBooks provides. If you use numerical accounts, you may change the account numbers QuickBooks provides.

To change an account name or number, display the chart of accounts. (From the Lists menu, choose Chart of Accounts.) Select the account you want to change, and click the Edit button at the bottom of the window. In the Edit Account window, make your changes and click OK. QuickBooks automatically assigns payroll items to the new account name or number.

In addition, you can use subaccounts of Payroll Liabilities if you wish to see more detail on your balance sheet for payroll liabilities. You can use subaccounts of Payroll Expenses to see more detail on your profit and loss statement of your payroll expenses. (The payroll reports show detail for each payroll item, so you may not need to go into the same kind of detail on your balance sheet or profit and loss statement.)

To assign different accounts to the preset payroll items, see "Changing payroll items" on page 417 of the *User's Guide*.

💲 Information you need to have ready

This manual does not attempt to tell you about tax law, nor can it foresee your particular tax obligations. While QuickBooks provides the tools you need, you must know your own obligations as an employer.

To begin, you need to have the following information at hand:

- Your company's federal and state ID numbers
- A list of all payroll taxes that apply to your company, both employee withholdings and employer contributions
- Personal information about each employee (such as social security number, filing status, number of exemptions, pay rates, address)
- Each employee's payroll totals for the current calendar year for gross compensation, taxes, other deductions, and other additions.
- Your company's payroll totals for the current year, such as contributions to social security, Medicare, and other company-paid expenses or liabilities for such expenses.

And, if applicable:

- Your company's state unemployment insurance (SUI) rate; whether the employee or the company pays for the insurance; and the maximum earnings limit
- Your state's disability insurance (SDI) rate; whether the employee or the company pays for the insurance; and the maximum earnings limit
- A list of other deductions from your employees' pay (for example, pension plan deductions); the amount or percentage for each employee; the annual limit, if any; and whether the deduction affects each of the payroll taxes
- A list of other benefits and contributions the company pays on the employee's behalf (for example, a private medical plan)
- The number of hours each employee has worked this year (at each of the hourly rates, if relevant)

You do *not* need to know the following information because it is contained in the QuickBooks tax tables:

- Federal and state income tax withholding rates
- Social security, Medicare, and federal unemployment (FUTA) rates or maximum wage bases
- The amount for each personal exemption or allowance

Your tax tables will always be up to date after you subscribe to the Intuit Tax Table Update Service. (For details, see the signup form enclosed in the QuickBooks package.)

✓ Checklist for setting up payroll

Procedure	See page:	Relevant to you?	Done
Add payroll items for **state payroll taxes** (income tax withholding, unemployment, disability).	67		
Add payroll items for **local income tax** withholding.	72		
Add payroll items for **additional hourly wages**, for **deductions** from gross or net pay, for **additions** to gross or net pay, for **commissions**, and for **company contributions**.	74		
Set up **employee template** for information most employees have in common.	83		
Set up payroll information for **individual employees**.	89		
Enter **summaries of employee payroll amounts** for this year to date.	94		
Enter **summaries of payments** of payroll liabilities already made this year.	98		
Enter **payroll liabilities carried over** at the beginning of this calendar year.	100		
Make **adjustments** if your fiscal year does not begin January 1.	104		

$ Adding payroll items for taxes

QuickBooks has already created some payroll items for earnings and federal taxes (listed in the table on page 60). You probably need some additional payroll items before you can set up your employee template and your employee payroll information.

- If you withhold or pay any state payroll taxes, you need a payroll item for each state tax. See "Payroll items for state taxes" on page 67.
- If you withhold or pay any local payroll taxes, you need a payroll item for each local tax. See "Payroll items for local taxes" on page 72.

- For any other adjustments to your employees checks, or for company-paid expenses associated with each pay period, see "Adding other payroll items" on page 74.

Every time you add an item, QuickBooks adds it to your Payroll Item list. You may use the same item for many employees. For earnings, local taxes, and all other nontax items, you may always customize the amount or percentage in the setup window for each employee (page 89).

➤ **To view your payroll items:**

1. **From the Lists menu, choose Payroll Items.**

You may not need all the payroll items shown here.

QuickBooks automatically gives you items for salaried and hourly wages and federal taxes. You can add other items you need.

To use or view a particular item, select that item by clicking it or moving to it by pressing the Down or Up arrow.

Payroll Item List

Name	Type
Salary	Yearly Salary
Hourly Rate 1	Hourly Wage
Hourly Rate 2	Hourly Wage
Sales Commission	Commission
Advance EIC Payment	Addition
Bonus	Addition
Mileage Reimbursement	Addition
401(k)	Deduction
CA – Empl Train Tax	Company Contribution
Health Insurance	Company Contribution
Federal Unemployment	Federal Tax
Federal Withholding	Federal Tax
Medicare Company	Federal Tax
Medicare Employee	Federal Tax
Social Security Company	Federal Tax
Social Security Employee	Federal Tax
CA – Withholding	State Withholding Tax
CA – Disability Employee	State Disability Tax
CA – Unemployment Company	State Unemployment Tax

Use | QuickReport | New | Edit

To use the selected payroll item in another window, click Use.

To view a list of transactions with the selected payroll item, click QuickReport.

To add a new payroll item, click New.

To view or edit information about the selected payroll item, click Edit.

2. **To view detail for an item on the list, select the item and click Edit (the button at the bottom of the list).**

For an explanation of the fields in an Edit Item window, turn on Balloon Help or see the setup in this section for the same type of payroll item.

Edit Federal Unemployment Payroll Item

Type: Federal Ta

Rate: Supplied by Tax Table

Item Name: Federal Unemployment

Expense Account: Payroll Expenses

Account: Payroll Liabilities

☒ FUTA credit reduction applies

✓ OK
✗ Cancel

If you select this checkbox for the FUTA payroll item, Quick-Books uses a lower tax rate.

Payroll items for state taxes

QuickBooks tracks each state tax separately, so you know exactly how much you owe for each tax and for each state. (This manual includes Washington DC and Puerto Rico whenever it uses the word *state.)*

State withholding

If you withhold state income tax, you need a payroll item for each state for which you withhold income tax.

➤ **To set up a new state withholding payroll item:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose State Withholding and click OK.**

The item name prints on payroll checks and reports.

For a tax withheld, Quick-Books suggests the Payroll Liabilities liability account, but you can specify a different name or choose another account.

```
┌──────── New State Withholding Payroll Item ─────────┐
│                                                      │
│  Type  [State Withholding Tax  ▼]  State [CA   ▼]  [✔  OK    ]│
│                                                      │
│  Rate  [Supplied by Tax Table      ]        [✗  Cancel ]│
│                                                      │
│  Item Name  [CA - Withholding                    ]   │
│                                                      │
│  Account    [Payroll Liabilities      ] [▼]          │
│                                                      │
└──────────────────────────────────────────────────────┘
```
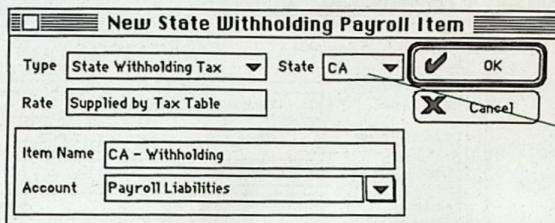
Choose the state from the drop-down list.

4. **In the State field, choose the two-letter state abbreviation from the drop-down list.**

   When you use this payroll item, QuickBooks finds the correct with-holding rates for this state in its tax tables.

5. **In the Item Name field, accept the prefilled name or enter a different name.**

6. **In the Account field, accept the prefilled liability account or change to a different account.**

   Use a liability account because you temporarily keep the money withheld but owe it as a liability you pay off later.

   If the account in the field does not currently exist, QuickBooks adds it to your chart of accounts.

7. **To record this state withholding payroll item, click OK.**

State unemployment insurance

Most states collect unemployment insurance from employers. You need a payroll item for each state to which you pay unemployment insurance.

If you happen to pay such insurance (for the same state) as a company expense and also withhold it from employee earnings, you need separate payroll items for the company part and the employee part, but you set them up in the same window.

➤ **To set up a new state unemployment insurance payroll item:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose State Unemployment and click OK.**

Select the **Company-paid** checkbox if state unemployment insurance is a company expense. Select **Employee-paid** if you withhold it.

The Company section of this window is for a payroll item for company-paid unemployment insurance. In most states, you'll need this item.

The Employee section of this window is for a payroll item for employee-paid unemployment insurance. In a few states, you'll need this item.
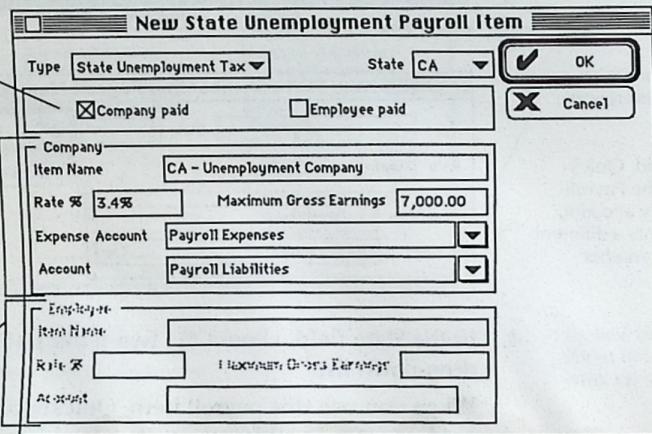

```
═══════════ New State Unemployment Payroll Item ═══════════
Type  [State Unemployment Tax ▼]          State [CA  ▼]    ✔ OK

        ☒ Company paid          ☐ Employee paid           ✘ Cancel

 ┌ Company ──────────────────────────────────────────────┐
 │ Item Name        [CA – Unemployment Company          ] │
 │ Rate %  [3.4%]          Maximum Gross Earnings [7,000.00] │
 │ Expense Account  [Payroll Expenses              ▼]      │
 │ Account          [Payroll Liabilities           ▼]      │
 └────────────────────────────────────────────────────────┘
 ┌ Employee ─────────────────────────────────────────────┐
 │ Item Name        [                                   ] │
 │ Rate %  [     ]          Maximum Gross Earnings [      ] │
 │ Account          [                                   ] │
 └────────────────────────────────────────────────────────┘
```

4. **In the State field, choose the two-letter state abbreviation from the drop-down list.**

5. **Select one or both checkboxes to indicate who pays for the unemployment insurance for this state.**

   - If your company pays the insurance as a company expense, select the **Company-paid** checkbox and fill in the Company section of this window.

   - If you withhold the insurance, select the **Employee-paid** checkbox and fill in the Employee section of this window.

6. **In the Item Name field, accept the prefilled name or enter a different name.**

   QuickBooks adds "Company" or "Employee" to the name to help you keep track of who is paying for this insurance. If you need both these items, they must have unique names, but you may use other names.

7. **In the Expense Account field (Company section only), accept the prefilled expense account or change to a different account.**

   If the account in the field does not currently exist, QuickBooks adds it to your chart of accounts.

8. **In the Account field, accept the prefilled liability account or change to a different account.**

   Use a liability account because you temporarily keep the money withheld but owe it as a liability you pay off later.

   If the account in the field does not currently exist, QuickBooks adds it to your chart of accounts.

9. **Enter your company's unemployment insurance rate as a percentage.**

   For example, if your rate is 3.4%, enter **3.4**. QuickBooks adds the % sign automatically.

10. **If there is an annual limit on taxable income, enter the limit in the Maximum Gross Earnings field.**

    QuickBooks stops collecting the tax for an employee when the year-to-date total for gross wages reaches this annual limit.

11. **To record this state unemployment payroll item, click OK.**

12. **If QuickBooks displays the following window, answer the question.**

```
======================= FUTA credit =======================

   Do you receive credit toward federal unemployment (FUTA) tax
   for state unemployment tax contributions ?

   [    Yes    ]   [    No    ]   [ X  Cancel ]   [   Help   ]
```
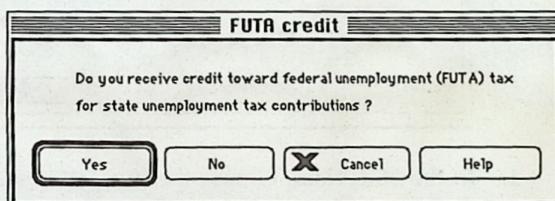
- If you are not sure whether you receive credit, check with your accountant. If you need to change your answer later, display the Payroll Items list, select Federal Unemployment, and click Edit. In the Edit Federal Unemployment Payroll Item window (shown on page 66), select or clear the checkbox for "FUTA credit reduction applies," and click OK.

- If your organization is not liable for federal unemployment (FUTA) tax, you can click either Yes or No.

  If you click Yes, QuickBooks uses a lower rate for your federal unemployment (FUTA) tax.

State disability insurance

A few states collect disability insurance from employers. You need a payroll item for each state to which you pay disability insurance.

If you happen to pay such insurance (for the same state) as a company expense and also withhold it from employee earnings, you need separate payroll items for the company part and the employee part, but you set them up in the same window.

➤ **To set up a new state disability insurance payroll item:**

1. From the Lists menu, choose Payroll Items.

2. Click New.

3. In the Select Payroll Item type window, choose State Disability and click OK.

Select the **Company-paid** checkbox if state disability insurance is a company expense. Select **Employee-paid** if you withhold it.

The Company section of this window is for a payroll item for company-paid disability insurance. In a few states, you'll need this item.

The Employee section of this window is for a payroll item for employee-paid disability insurance. In a few states, you'll need this item.
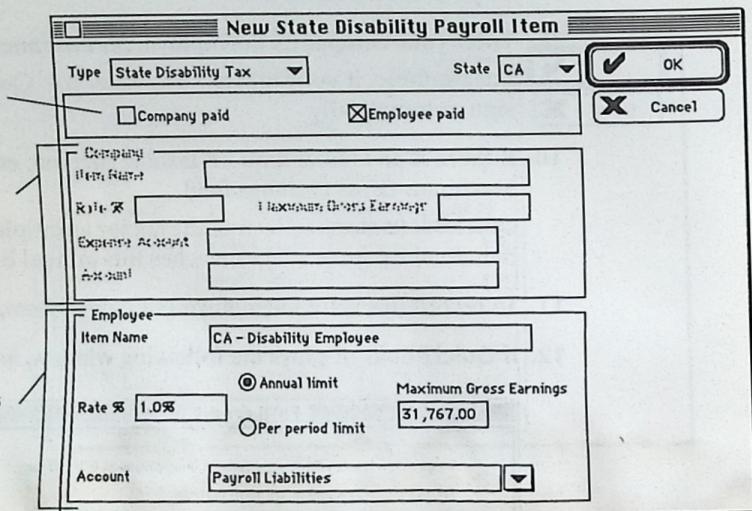
	New State Disability Payroll Item	
Type	State Disability Tax	State CA	✔ OK ✗ Cancel

☐ Company paid   ☒ Employee paid

Company
Item Name:
Rate %:   Maximum Gross Earnings:
Expense Account:
Account:

Employee
Item Name: CA – Disability Employee
Rate % 1.0%
◉ Annual limit   Maximum Gross Earnings
○ Per period limit   31,767.00
Account: Payroll Liabilities

4. In the State field, choose the two-letter state abbreviation from the drop-down list.

5. Select one or both checkboxes to indicate who pays for the disability insurance for this state.

   • If your company pays the insurance as a company expense, select the **Company-paid** checkbox and fill in the Company section of this window.

   • If you withhold the insurance, select the **Employee-paid** checkbox and fill in the Employee section of this window.

6. **In the Item Name field, accept the prefilled name or enter a different name.**

    QuickBooks adds "Company" or "Employee" to the name to help you keep track of who is paying for this insurance. If you need both these items, they must have unique names, but you may use other names.

7. **In the Expense Account field (Company section only), accept the prefilled expense account or change to a different account.**

    If the account in the field does not currently exist, QuickBooks adds it to your chart of accounts.

8. **In the Account field, accept the prefilled liability account or change to a different account.**

    Use a liability account because you temporarily keep the money withheld but owe it as a liability you pay off later.

    If the account in the field does not currently exist, QuickBooks adds it to your chart of accounts.

9. **Enter the disability insurance rate as a percentage.**

    For example, if the rate is 1.3%, enter **1.3**.

10. **If there is an annual limit on taxable income, select the "Annual limit" option (Employee section only) and enter the limit in the Maximum Gross Earnings field.**

    QuickBooks stops collecting the tax for an employee when the year-to-date total for gross wages reaches this annual limit.

11. **If there is a limit per pay period on the amount of disability insurance withheld, select the "Per period limit" option and, in the chart that QuickBooks displays, enter the limit for each pay period you use.**

    For example, if you pay some employees weekly and others monthly, you must enter both the weekly and the monthly limits.

12. **To record this state disability payroll item, click OK.**

Other state taxes

If your state has additional payroll taxes, you can set up a payroll item for each tax so that you can track it separately from state income tax and unemployment and disability insurance. For example, some states collect a payroll tax called labor and industries, or L&I.

- If the tax is an expense to your company, set it up as a company contribution (see page 80). You'll need to assign both an expense account and a liability account. For the expense account, you'll probably want to use Payroll Expenses.

- If the tax is withheld from the employee's earnings, set it up as a deduction (see page 76). Usually, the amount of tax withheld is a percentage of gross pay. (Clear the tax checkboxes if this state tax has no effect on other tax amounts.) If the tax is based on, say, hours or days worked, select the checkbox **Based on Quantity**. Then you can enter the particular quantity when reviewing the paycheck before writing it.

Note that QuickBooks supports taxes for Michigan Cities, Indiana Counties, and Ohio School Districts as local taxes, so you should set them up as described below.

Payroll items for local taxes

QuickBooks uses a local tax payroll item for the following local taxes:
- New York City resident
- New York City nonresident
- Yonkers resident
- Yonkers nonresident
- Michigan Cities
- Indiana Counties
- Ohio School Districts

If you have any of these taxes, set up a payroll item for each one you have, following the instructions in this section.

If you have any other local taxes, see "Other local taxes" on page 73.

➤ **To set up a new local tax payroll item:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose Local Tax and click OK.**

If you withhold a local tax that is on the list of local taxes that QuickBooks supports, you need a payroll item for that kind of local tax.

```
┌═════════ New Local Tax Payroll Item ═════════┐
│                                               │
│  Type  [Local Tax          ▼]    ┌─────────┐ │
│                                  │ ✔  OK   │ │
│                                  └─────────┘ │
│  Local Tax Type  [Indiana Counties    ▼]     │
│                                  ┌─────────┐ │
│  Item Name   [Indiana Counties Tax]  │ ✘ Cancel│ │
│                                  └─────────┘ │
│  Account   [Payroll Liabilities    ▼]        │
│                                               │
└═══════════════════════════════════════════════┘
```
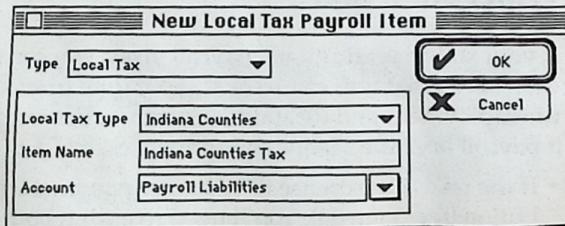
4. **In the Local Tax Type field, choose the particular kind of local tax from the drop-down list.**

If the tax you have is not on this list, click Cancel and see "Other local taxes" on page 73.

5. **In the Item Name field, accept the prefilled name or enter a different name.**

    If this tax is a statewide tax (for example, Indiana Counties), set up a single payroll item even if there are different rates for each county, city, or district. You can enter different tax rates for different employees when you set up each employee.

6. **In the Account field, accept the prefilled liability account or change to a different account.**

    Use a liability account because you temporarily keep the money withheld but owe it as a liability you pay off later.

    If the account in the field does not currently exist, QuickBooks helps you set it up and adds it to your chart of accounts.

7. **To record this local tax payroll item, click OK.**

Other local taxes

For any other local taxes not on the list on page 72, set up a payroll item for each tax.

- If the tax is withheld from the employee's earnings, set it up as a deduction (see page 76). Usually, the amount of tax withheld has no effect on other taxes withheld.

  - If it's a percentage of gross, make it a deduction from gross pay and then clear all the tax checkboxes.
  - If the tax is based on, say, hours or days worked, select the checkbox **Based on Quantity**. Then you can enter the particular quantity when reviewing the paycheck before writing it. Make it a deduction from net pay.

- If the tax is an expense to your company, set it up as a company contribution (see page 80). You'll need to assign both an expense account and a liability account.

  - If you enter a % sign after the number in the **Amount or %** field, QuickBooks calculates a percentage of gross pay (never net pay).
  - If the tax is based on, say, hours or days worked, select the checkbox **Based on Quantity**. Then you can enter the particular quantity when reviewing the paycheck before writing it.

In either case, select the checkbox **Is a Local Tax** in the new item window.

$ Adding other payroll items

- For all other repeated adjustments to your payroll checks (for example, deductions for health insurance, commissions, company-paid expenses associated with each pay period), set up payroll items as described in this section.

- For occasional adjustments to your payroll checks (for example, bonuses), you may set up payroll items either now or later, when you need them. You can even add them to a check "on the fly" as you review the check.

In addition to tax items, there are five types of payroll items you may add now:

Payroll item type	Description	For setup, see page:
Hourly Wage	Examples: A third (or more) hourly wage needed for a pay period; holiday wage; vacation wage; sick pay wage. QuickBooks taxes hourly wages according to each employee's tax setup.	75
Deduction	Examples: Union dues; loan repayments; employee-paid insurance; employee deductions for pension or 401(k). You specify how each deduction affects taxes. You can set up a deduction that is based on something other than gross wages (for example, number of hours).	76
Addition	Examples: Bonuses, tips, expense reimbursements, advance EIC payments, travel advances, or other additions to gross or after-tax pay. You specify how each addition affects taxes.	78
Commission	Examples: Commission calculated on an amount you must specify. QuickBooks taxes a commission according to each employee's tax setup.	79
Company Contribution	Examples: Company-paid expenses or miscellaneous taxes accrued with each pay period, such as insurance. QuickBooks does not tax a company contribution.	80

See the table on page 81 for tips on setting up specific payroll items.

> **To set up a new hourly wage:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose Hourly Wage and click OK.**

Note that you do not specify an hourly pay rate when you set up this item. Instead, you specify the rate when you set up the employee or when you add the item to a payroll check.

The item name prints on payroll checks and reports.

```
┌─────────────────────────────────────────────────────┐
│ ▤▢▭▭▭▭▭  New Hourly Payroll Item  ▭▭▭▭▭             │
│                                                       │
│  Type │Hourly Wage        ▼│     ┌──┐                 │
│                            │     │✔ │    OK           │
│  Rate │Enter on Employee Record│  └──┘                 │
│                                  ┌──┐                 │
│  Item Name      │Holiday pay    │✘ │   Cancel         │
│                                  └──┘                 │
│  Expense Account │Payroll Expenses        │▼│         │
│                                                       │
└─────────────────────────────────────────────────────┘
```
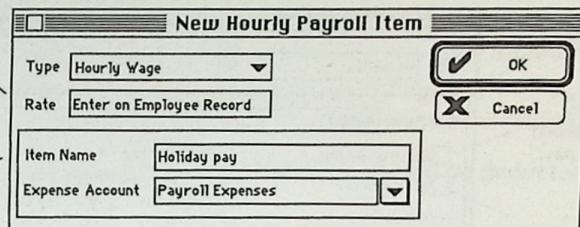
4. **In the Item Name field, enter the description of this wage you would like to print on payroll checks and payroll reports.**

5. **(Optional) In the Expense Account field, change the prefilled account to a different account.**

6. **To record this hourly wage, click OK.**

Tip: You can use an Hourly Wage item to track sick or vacation pay.

If you need to track wages paid for sick time or vacation time, set up an Hourly Wage payroll item for this purpose. This type of item works best for employees earning hourly wages.

If your employees are salaried, you cannot split the regular gross pay amount between salary and an hourly wage (for example, one week of salary and one week of vacation pay). Hourly Wage items must be added on top of the full salary amount, or you may have no salary at all on a paycheck.

➤ **To set up a new payroll deduction:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose Deduction and click OK.**

The item name prints on payroll checks and reports.

Select this checkbox if the amount or percentage is based on something other than pay.

Select this checkbox if this deduction is for a local tax that is not on the list on page 72.

You can enter an optional default amount or percentage or a default annual limit.

New Deduction Payroll Item

Type	Deduction ▼

✔ OK
✗ Cancel

Item Name | 401(k)

☐ Based on Quantity
☐ Is a Local Tax

Default
Amount or % | 2.0%
Annual Limit | 9,240.00

Deduct from
○ Net Pay
◉ Gross Pay

Prior to calculating
☒ FWH   ☐ Soc Sec Co.   ☐ SDI
☒ SWH   ☐ Soc Sec Emp. ☐ SUI
☒ LWH   ☐ Medicare Co.
☐ FUTA ☐ Medicare Emp.

Account | Payroll Liabilities ▼
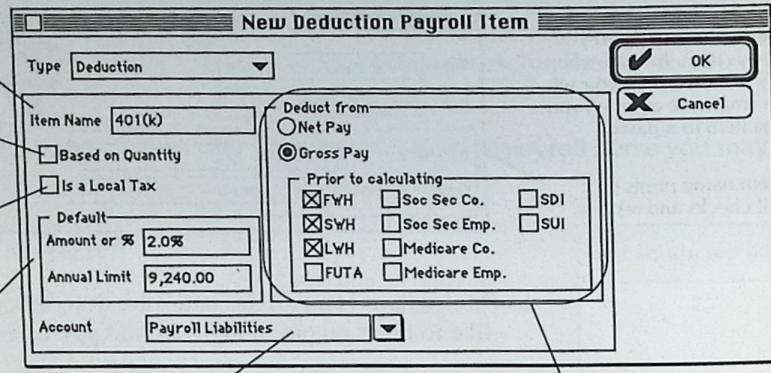
For a deduction, QuickBooks suggests a liability account, but you can specify a different name or choose another account.

For an explanation of these fields, see Step 10 on page 77.

4. **In the Item Name field, enter the description of this deduction you would like to print on payroll checks and payroll reports.**

5. **If you want QuickBooks to calculate the deduction by multiplying the amount or percentage by a quantity you specify when you use the deduction, select the checkbox for "Based on Quantity."**

   For example, if the deduction is based on the number of hours worked, select the checkbox. You'll have a chance to enter the number of hours (or other units) for each payroll check.

6. **If this deduction is for a miscellaneous local tax that is not on the list on page 72, select the checkbox for "Is a Local Tax."**

7. **(Optional) Enter an amount or percentage for QuickBooks to prefill whenever you use this deduction.**

   To enter a percentage, type a % sign after the number.

   You can always customize the amount or percentage for each employee.

   Unless you specify otherwise (Step 5), an amount is deducted as a flat amount; a percentage is based on either the gross pay or the net pay, according to what you choose in Step 10.

8. **(Optional) If this deduction has an annual limit, enter the limit you want QuickBooks to prefill whenever you use this deduction.**

    Enter the maximum amount that should be deducted in one year, not the maximum earnings on which it is based.

    You can always customize the annual limit for each employee.

9. **In the Account field, accept the prefilled liability account or change to a different account.**

    Use a liability account when you temporarily keep the money deducted but owe it as a liability you pay off later.

    If the account in the field does not currently exist, QuickBooks helps you set it up and adds it to your chart of accounts.

10. **Specify whether this deduction should be deducted from net pay or gross pay.**
    - If this deduction is a flat amount and has no effect on taxes (that is, it is a flat, after-tax deduction), select Net Pay.

      Examples: Union dues, loan repayment
    - If this deduction is a percentage of net pay calculated after taxes or deductions are withheld, select Net Pay.
    - If the deduction reduces the amount of tax that must be withheld, for one or more taxes, select Gross Pay.

      Example: Deferred compensation, such as 401(k) deduction

      Then click (to clear) the checkbox for any tax that you want Quick-Books to calculate on the gross pay **before** taking this deduction. ("Co." means the company-paid tax and "Emp." means the tax deducted from the employee's check. If a particular tax is not applied to an employee, then it makes no difference whether the checkbox is selected or cleared.)
    - If this deduction is a percentage of gross pay calculated before any taxes or deductions are withheld, select Gross Pay. Then click (to clear) the checkbox for any tax that you want QuickBooks to calculate on the gross pay **before** taking this deduction.

11. **To record this deduction, click OK.**

> ➤ **To set up a new payroll addition:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose Addition and click OK.**

The item name prints on payroll checks and reports.

Select this checkbox if the amount or percentage is based on something other than pay.

You can enter an optional default amount or percentage and default annual limit.

New Addition Payroll Item

Type [Addition ▼]   [✔ OK]
                            [✘ Cancel]

Item Name [Tips]

— Add to —
○ Net Pay
◉ Gross Pay

☐ Based on Quantity

— Default —

Amount or % [   ]

Annual Limit [   ]

— Withhold —
☒ FWH   ☒ Soc Sec Co.   ☒ SDI
☒ SWH   ☒ Soc Sec Emp.   ☒ SUI
☒ LWH   ☒ Medicare Co.
☒ FUTA   ☒ Medicare Emp.

Expense Account [Payroll Expenses   ▼]
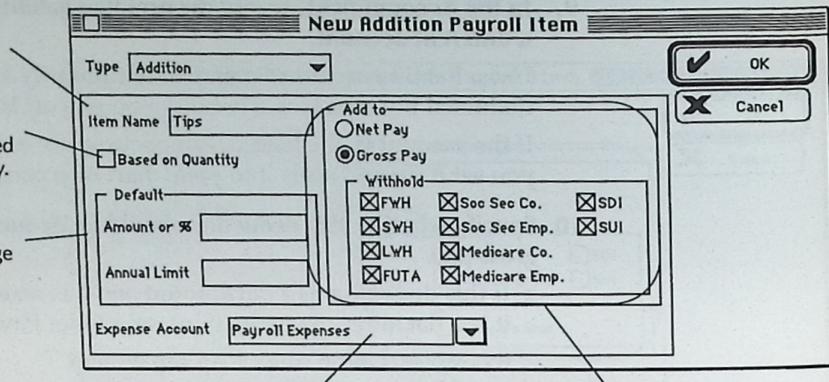
For an addition, QuickBooks suggests an expense account, but you can specify a different name or choose another account.

For an explanation of these fields, see Step 9 on page 79.

4. **In the Item Name field, enter the description of this addition you would like to print on payroll checks and payroll reports.**

5. **If you want QuickBooks to calculate the addition by multiplying the amount or percentage by a quantity you specify when you use the addition, select the checkbox for "Based on Quantity."**

   For example, if the addition is a reimbursement for mileage, select the checkbox. You'll have a chance to enter the mileage (or other units) for each payroll check.

6. **(Optional) Enter an amount or percentage for QuickBooks to prefill whenever you use this addition.**

   To enter a percentage, type a % sign after the number.

   You can always customize the amount or percentage for each employee.

7. **(Optional) If this addition has an annual limit, enter the limit you want QuickBooks to prefill whenever you use this addition.**

   You can always customize the annual limit for each employee.

8. **In the Expense Account field, accept the prefilled expense account or change to a different account.**

   Use an expense account when the addition is an expense to your company.

If the account in the field does not currently exist, QuickBooks helps you set it up and adds it to your chart of accounts.

9. **Specify whether this addition should be added to net pay or gross pay.**

   - If this addition is a flat amount and has no effect on taxes (that is, it is a flat, after-tax addition), select Net Pay.

     Examples: Reimbursement for travel expenses

   - If this addition is a percentage of net pay calculated after taxes or deductions are withheld, select Net Pay.

   - If the addition is taxable, for one or more taxes, select Gross Pay.

     Example: Tips, bonuses, awards

     Then click (to clear) the checkbox for any tax that you want Quick-Books to calculate on the gross pay **before** adding this addition. ("Co." means the company-paid tax and "Emp." means the tax deducted from the employee's check. If a particular tax is not applied to an employee, then it makes no difference whether the checkbox is selected or cleared.)

   - If this addition is a percentage of gross pay calculated before any taxes or deductions are withheld, select Gross Pay. Then click (to clear) the checkbox for any tax that you want QuickBooks to calculate on the gross pay **before** adding this addition.

10. **To record this addition, click OK.**

➤ **To set up a commission:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose Commission and click OK.**

The item name prints on payroll checks and reports.
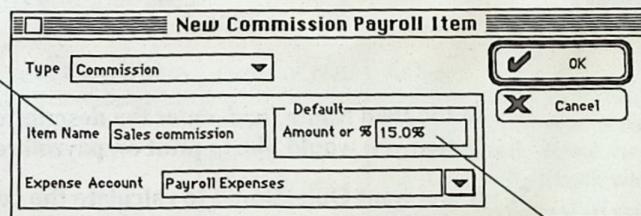
You can enter an optional default amount or percentage.

4. **In the Item Name field, enter the description of this commission you would like to print on payroll checks and payroll reports.**

5. **(Optional) Enter an amount or percentage for QuickBooks to prefill whenever you use this commission.**

   To enter a percentage, type a % sign after the number.

   You can always customize the amount or percentage for each employee. Also, when you pay the employee, you specify the base amount on which you want QuickBooks to calculate the commission.

6. **In the Expense Account field, accept the prefilled expense account or change to a different account.**

   If the account in the field does not currently exist, QuickBooks helps you set it up and adds it to your chart of accounts.

7. **To record this commission, click OK.**

➤ **To set up a new company contribution:**

1. **From the Lists menu, choose Payroll Items.**

2. **Click New.**

3. **In the Select Payroll Item type window, choose Company Contribution and click OK.**

The item name prints on payroll reports.

Select this checkbox if the amount or percentage is based on something other than pay.

See Step 6 for an explanation of this checkbox.

For a company contribution, QuickBooks suggests both an expense account and a liability account. You can specify a different name or choose another account.
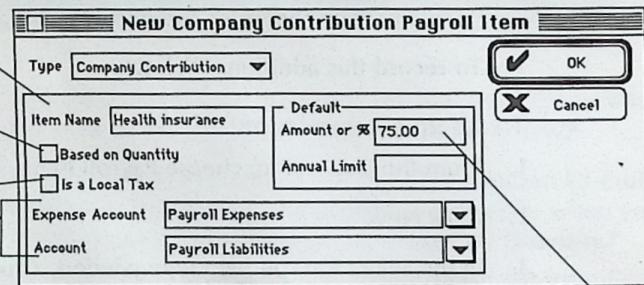
You can enter an optional default amount or percentage and a default annual limit.

4. **In the Item Name field, enter the description of this company contribution you would like to print on payroll reports.**

5. **If you want QuickBooks to calculate the company contribution by multiplying the amount or percentage by a quantity you specify when you use the company contribution, select the checkbox for "Based on Quantity."**

   For example, if the company contribution is a miscellaneous payroll tax based on days worked, select the checkbox. You'll have a chance to enter the days worked (or other units) for each payroll check.

6. If this is a company-paid miscellaneous local tax that is not on the list on page 72, select the checkbox for "Is a Local Tax."

7. (Optional) Enter an amount or percentage for QuickBooks to prefill whenever you use this company contribution.

   To enter a percentage, type a % sign after the number.

   You can always customize the amount or percentage for each employee.

8. (Optional) If this company contribution has an annual limit, enter the limit you want QuickBooks to prefill whenever you use this company contribution.

   You can always customize the annual limit for each employee.

9. In the Expense Account field, accept the prefilled expense account or change to a different account.

   You need an expense account because a company contribution is an expense to your company.

   If the account in the field does not currently exist, QuickBooks helps you set it up and adds it to your chart of accounts.

10. In the Account field, accept the prefilled liability account or change to a different account.

    You need a liability account because you owe the company contribution as a liability you pay off later.

11. To record this company contribution, click OK.

Examples of payroll items

The following table suggests how you might set up some common payroll items you may need.

Use payroll item for:	Type of Payroll Item	Gross or Net	Notes
Bonus, supplemental wages, award, or one-time compensation payment	Addition	Gross (Select all tax checkboxes.)	To suppress payment of regular salary on a bonus check, delete the salary item in the Preview Paycheck window. To withhold federal or state income tax at the rate for supplemental wages, edit the tax amount in the Preview Paycheck window.
Travel expenses or other reimbursement	Addition	Net	Assign the expense account for travel (or a relevant nonpayroll account). For a reimbursement for mileage or a per diem, select **Based on Quantity**.

Use payroll item for:	Type of Payroll Item	Gross or Net	Notes
Advance against salary	Addition	Gross (Select all tax checkboxes.)	Assign the same expense account you use for salary.
Travel advance	Addition	Net	Assign the expense account for travel.
Advance earned income credit (EIC)	Addition	Net	Assign to expense account such as Advance EIC Payments. Before paying federal payroll taxes, reduce federal withholding liability (see page 414 of the User's Guide) by amount for this expense account on P&L; assign adjustment to this account.
Tips	Addition	Gross (Select all tax checkboxes.)	
Tips kept by employee	Deduction	Net	Use both this deduction and the addition for tips if the employee keeps the tips but reports the amount to you. Assign the same expense account as for the tips addition.
Union dues	Deduction	Net	Assign a liability account, since you owe the dues to the union.
Deferred compensation, flexible-spending plans, cafeteria plans	Deduction	Gross (Select only the appropriate tax checkboxes.)	Assign a liability account, since you owe the money to the plan administrator.
Repayments of employee loans or of advances	Deduction	Net	For a loan, assign the asset account you use to track the outstanding loan. For an unused advance, assign the same account used for the original advance.
Garnished wages	Deduction	Net	Assign a liability account, since you owe the garnished wages to the collector.
Employee donations to charity	Deduction	Net	Assign a liability account, since you owe the money to the charity.
Health or life insurance paid by employee	Deduction	Net	Assign a liability account, since you owe the money to the insurance company.
Health or life insurance paid by company	Company Contribution	N/A	Assign an expense account for the company expense as well as a liability account to track what you owe.

Use payroll item for:	Type of Payroll Item	Gross or Net	Notes
Miscellaneous state or local tax withheld from employee's pay	Deduction	Gross (Clear all tax checkboxes.)	If there is an earnings limit for this tax, multiply the limit by the rate and enter result in **Annual Limit** field.
Miscellaneous state or local tax paid by company	Company Contribution	N/A	If there is an earnings limit for this tax, multiply the limit by the rate and enter result in **Annual Limit** field.

$ Setting up an employee template

The employee template helps you set up several employees quickly. You enter information that most employees have in common. When you set up individual employees, that information is prefilled, but you can always customize it for each employee.

➤ **To enter information on the employee template:**

1. **From the Lists menu, choose Employees.**

2. **Click the Template button at the bottom of the Employee List window.**
   QuickBooks displays the employee template.

QuickBooks automatically puts two hourly rate items on the template. If all your employees are salaried, you can delete each hourly rate item by clicking the item and pressing 1 B.

The **Class** field appears only if you have class tracking turned on. To turn on class tracking, choose Transactions from the Prefs menu.

See page 86 for instructions on filling in this part of the window.

See page 84 for instructions on adding taxes to the template.

Employee Template

Pay Period	Biweekly
Yearly Salary	0.00
Class	

Hourly Wages

Name	Rate
Hourly Rate 1	0.00
Hourly Rate 2	0.00

OK

Cancel

Help

Additions, Deductions, & Company Contributions

Name	Amount	Limit
Sales Commission	15.0%	
401(k)	-2.0%	-9,240.00
Health Insurance	75.00	

Federal Taxes...

State Taxes...

Local Taxes...

3. **In the Pay Period field of the Employee Template window, choose the pay period that applies to all or most employees.**

4. **(Optional) Enter a yearly salary in the Yearly Salary field if most employees have the same salary. (Otherwise, leave this field blank.)**

5. (Optional) If you want to track expenses for employees by QuickBooks class, and you want to assign most employees to the same class, choose a class.

    For example, you can use classes to separate employees by location or by department. (The **Class** field is grayed if class tracking is not on.)

6. (Optional) If most employees have the same hourly wage, enter an hourly rate in the Rate field for Hourly Wage 1 (and 2, if desired). Otherwise, leave these fields blank.

7. Continue with "Taxes for your company's employees" on page 84.

Taxes for your company's employees

The employee template has buttons for the three groups of payroll taxes you may collect or owe: federal, state, and local. You can specify which taxes affect most (or all) of your employees, so that QuickBooks can prefill these taxes when you set up individual employees.

Federal Taxes

1. At the Employee Template window, click Federal Taxes.

Select all taxes your company has to pay, regardless of whether they are withheld or are a company expense.

```
╔══════════ Federal Taxes Template ══════════╗
║                                             ║
║  ┌─ Subject to ──────────────┐ ┌─────────┐  ║
║  │ ☒ Federal Tax  ☒ Social Security │  ✔  OK    │  ║
║  │ ☒ FUTA         ☒ Medicare        │ ┌─────────┐ ║
║  │                           │  ✘  Cancel │  ║
║  └───────────────────────────┘ ├─────────┤  ║
║                                │   Help   │  ║
║                                └─────────┘  ║
╚═════════════════════════════════════════════╝
```
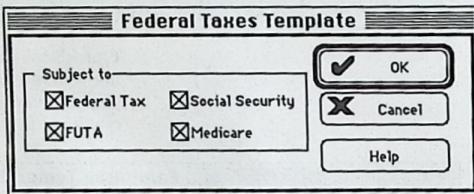
2. In the Federal Taxes Template window, select the federal taxes that apply to most (or all) of your employees.

    An X indicates that QuickBooks should apply this tax. To mark (or unmark) a checkbox, click the box.

3. To record your selections, click OK.

State Taxes

If most of your employees are subject to taxes for the same state, indicate them in the State Taxes Template window.

You need payroll items for the state taxes you choose (see "Payroll items for state taxes" on page 67). If you have not yet set them up, QuickBooks displays a message and then displays the setup window.

To specify state taxes for the employee template:

1. At the Employee Template window, click State Taxes.

Select all taxes your company has to pay, regardless of whether they are withheld or are a company expense.

```
State Taxes Template
  State Withholding
  Filing State   CA   ▼        ✔ OK
                               ✖ Cancel
  State Unemployment
  Filing State   CA   ▼           Help
  State Disability
  Filing State   CA   ▼
```
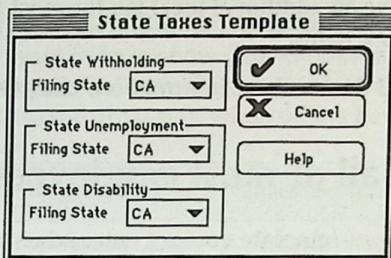
2. For each state tax you want to put in the template, choose the state from the drop-down list for that tax.

3. To record your choices, click OK.

Local Taxes

If most of your employees are subject to one or two of the same local taxes, indicate them in the Local Taxes Template window.

You need payroll items for the local taxes you choose (see "Payroll items for local taxes" on page 72). If you have not yet set them up, QuickBooks displays a message and then displays the setup window.

To specify local taxes for the employee template:

1. At the Employee Template window, click Local Taxes.

(Optional) Enter a default rate as a percentage.

```
Local Taxes Template
  Local tax 1
  Local Tax Type   Indiana Counties   ▼     ✔ OK
  Rate %   1.25%          Misc  0.00        ✖ Cancel
  Local tax 2                                  Help
  Local Tax Type   (none)   ▼
  Rate %  0.00           Misc  0.00
```

You don't need to use the **Misc** field except for a Michigan Cities tax.

If your employees are subject to an additional local tax, specify it here.
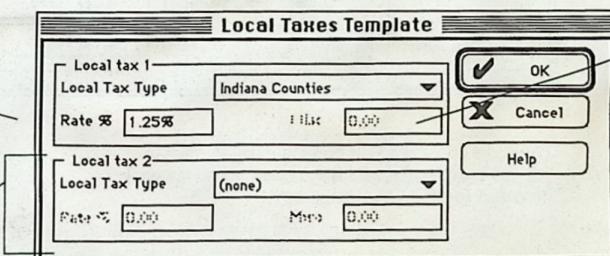
2. In the Local Tax Type field for Local tax 1, choose a tax type from the drop-down list.

3. (Optional) In the Rate % field, enter a percentage rate for QuickBooks to prefill.

   For example, enter 1.25% as **1.25**. You may use up to four decimal places.

4. **For Michigan Cities only, enter the annual exemption in the Misc field.** Use a decimal point and two decimal places (for example, 3000.00).

5. **If you have an additional local tax for most (or all) employees, use the Local Tax 2 fields.**

6. **To record the local tax information, click OK.**

Adjustments that affect all or most employees

In the employee template you can enter adjustments to gross or net pay that affect most (or all) employees. Such adjustments might include deductions for health insurance, retirement plan, or union dues. They might include additions for reported tips or commissions.

You can also specify a company-paid expense or miscellaneous tax that you want to associate with each payroll. For example, you may have company-paid health or life insurance.

You need payroll items for the additions, deductions, and company contributions you specify (see "Adding other payroll items" on page 74). If you have not yet set them up, QuickBooks displays a message and then displays the setup window.

You enter the payroll items in the table in the lower left of the Employee Template window.

You can enter the following kinds of payroll items here:
- Commissions
- Additions
- Deductions
- Company contributions

For instructions, see page 88.

| Additions, Deductions, & Company Contributions | | |
Name	Amount	Limit
Sales Commission	15.0%	
401(k)	-2.0%	-9,240.00
Health Insurance	75.00	

Federal Taxes...
State Taxes...
Local Taxes...

For a deduction, QuickBooks shows the amount and the limit as negative numbers.

You can leave the amount blank if it varies by employee.

The order in which you enter payroll items can affect the amount QuickBooks calculates for each item and for taxes. See page 87.

How the order of the items affects amounts and gross pay

If any of your additional items are based on a percentage of gross pay, you may want to know how QuickBooks calculates the gross pay. The order in which you add payroll items can be important, because some of the items increase the gross pay, while others have no effect on it.

Payroll item	Effect on gross	Effect on taxes	How calculated:
Commission	Increases (ahead of any additions above or below it)	Increases all taxes	Multiplied by quantity
Addition to gross	Increases	Increase taxes marked X in setup	Flat amount or % of gross
Addition to net	None	None	Flat amount or % of net
Deduction from gross	None	Decreases taxes marked X in setup	Flat amount or % of gross; or amount or % times quantity (if based on quantity)
Deduction from net	None	None	Flat amount or % of net; or amount or % times quantity (if based on quantity)
Company contribution	None	None	Flat amount or % of gross

As the table above shows, commissions and additions to gross increase the gross pay. For the purposes of calculating taxes and percentages based on gross, QuickBooks calculates gross pay as follows:

Gross = salary + hourly wages + commissions

+ additions to gross (in the order they are added)

In general, the position in the table of additions to gross affects the calculation of items based on a percentage of gross.

For example, suppose your employee has a $1000 salary, an addition to gross of $100, and a 2% deduction from gross.

- If you enter the addition ahead of the deduction, QuickBooks calculates the 2% deduction on a gross of $1000 + $100, or $1100.
- If you enter the deduction ahead of the addition, QuickBooks calculates the 2% deduction on a gross of $1000.

Entering adjustments on the template

Here is how you can enter commissions, additions, deductions, and company contributions that affect most or all employees. If you have any state or local taxes that you have set up as deductions or company contributions, enter them here as well.

1. **At the Employee Template window, click the Name field in the first line of the table in the lower left corner.**

   See page 86 for an illustration of this table.

2. **Enter the first payroll item.**

   You may leave the amount or limit blank.

   If you enter a name that is not already on your Payroll Item list, Quick-Books helps you add it to your list.

3. **As needed, enter other payroll items on additional lines of the table.**

Reviewing and recording the template

Review this checklist to make sure you have entered everything you planned to enter on the template. Remember, everything you enter here is optional. The sole purpose is to save you time when you set up individual employees, so you don't have to enter the same thing over and over again.

- Default pay period (page 83)
- Default annual salary (page 83)
- Default class (page 84)
- Default hourly wages (page 84)
- Additional hourly wage items (page 84)
- Federal taxes (page 84)
- State taxes (page 84)
- Local taxes (page 85)
- Commissions, additions, deductions, and company contributions (above)

➤ **To record the template:**

- **Click OK.**

$ Setting up employee payroll information

If you've already set up your employee template, QuickBooks can prefill much of the information when you start to set up individual employees.

The Employee list contains the names of all your employees. When you add a new employee to the list (or edit information for an existing employee) the window you see first has two tabs:

- One tab is for general information.

- The other tab is for payroll information. You'll need payroll items for all the taxes you enter, as well as for other payroll information. If you have not already set up all the payroll items you need, QuickBooks gives you a chance to add them as you work. For help, press ⌘? for onscreen help, or see "Adding payroll items for taxes" on page 65 and "Adding other payroll items" on page 74.

➤ **To enter payroll information for an employee:**

1. **From the Lists menu, choose Employees.**

2. **If the employee is not on the Employee list, click New. If the employee is already on the Employee list, select the name and click Edit.**

3. **(For employees not yet on the list) Enter the name, address, and other information in the General Info card.**

4. **Click the Payroll Info tab to bring it to the top.**

These two tabs are like the tabs on a file folder. When you click a tab, you bring that tab to the top.

The Class field is available only if class tracking is turned on for the company.

You can enter the following kinds of payroll items here:

- Commissions
- Additions
- Deductions
- Company contributions

New Employee			
Information for: Daniel Mack			

General Info / **Payroll Info**

OK
Cancel
Next

Pay Period	Biweekly
Yearly Salary	0.00
Class	

Hourly Wages

Name	Rate
Hourly Rate 1	20.00
Hourly Rate 2	30.00

Additions, Deductions, & Company Contributions

Name	Amount	Limit
Sales Commission	15.0%	
401(k)	-2.0%	-9,240.00
Health Insurance	75.00	

Federal Taxes...
State Taxes...
Local Taxes...

5. If the pay period is not correct, choose the correct pay period from the drop-down list in the Pay Period field.

6. If the employee has a fixed salary, enter the annual salary in the Yearly field.

    To calculate the gross salary on the paycheck, QuickBooks divides the annual salary by the number of pay periods in one year. The salary is always the same, no matter how many hours the employee works.

7. If the gross pay depends on the number of hours worked, enter an hourly rate in the Rate field for at least one of the hourly wage payroll items.

    To delete an unneeded hourly wage payroll item, click the item and press 1 B.

8. (Optional) To track payroll expenses for this employee by class, choose the class from the drop-down list in the Class field.

    For example, use classes to track expenses by department or location. You can type the name of a new class and have QuickBooks set it up.

9. Click Federal Taxes.

Select all taxes on this employee's earnings, regardless of whether they are withheld or are a company expense.

Enter information from your employee's Form W-4.

```
══════ Federal Taxes for Daniel Mack ══════

┌─ Subject to ──────────────────┐        ┌───────────┐
│  ☒ Federal Tax   ☒ Social Security │    │  ✓   OK   │
│  ☒ FUTA          ☒ Medicare      │     └───────────┘
└──────────────────────────────┘        ┌───────────┐
                                         │  ✗ Cancel │
  Filing Status   Head of Household  ▼   └───────────┘
                                         ┌───────────┐
  Allowances      2                      │    Help   │
                                         └───────────┘
  Extra Withholding   0.00
```
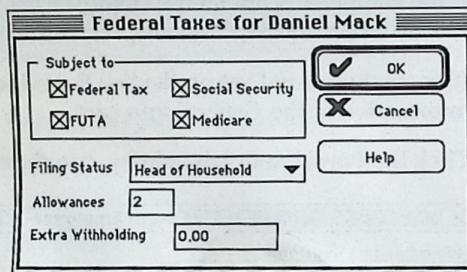
10. Be sure that the federal taxes that apply to this employee are marked with an X. Then fill in the filing status, allowances, and extra withholding from the information on the employee's Form W-4.

11. To record the federal tax information, click OK.

12. In the New or Edit Employee window, click State Taxes.

See Appendix A, *Values for state payroll tax fields*, beginning on page 131, for information about filling in these fields for each state.

Select all taxes on this employee's earnings, regardless of whether they are withheld or are a company expense.

```
══════ State Taxes for Daniel Mack ══════

┌─ State Withholding ──────────────────────────────────┐   ┌───────────┐
│ Filing State    CA   ▼                               │   │  ✓   OK   │
│                                                       │   └───────────┘
│ Filing Status  Head of Household  ▼   Allowances  2  │   ┌───────────┐
│                                                       │   │  ✗ Cancel │
│ Extra          0.00                   Misc  ·         │   └───────────┘
└──────────────────────────────────────────────────────┘   ┌───────────┐
┌─ State Unemployment ─┐  ┌─ State Disability ─┐             │    Help   │
│ Filing State   CA  ▼ │  │ Filing State  CA ▼ │             └───────────┘
└──────────────────────┘  └────────────────────┘
```
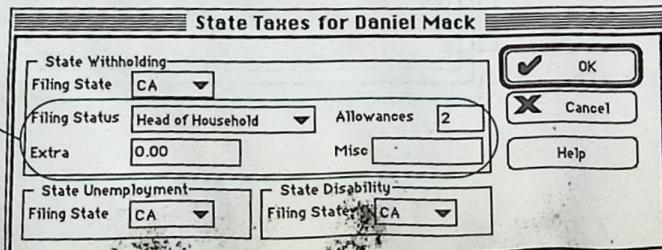
13. **For state withholding of income tax, be sure that the correct state appears in the Filing State field. See Appendix A, *Values for state payroll tax fields,* beginning on page 131, for information on what to enter in the other withholding fields for this state.**

    For the District of Columbia, choose DC; for Puerto Rico, choose PR.

    Choose (None) if this employee is not subject to state withholding.

14. **If this employee is subject to state unemployment insurance, either company-paid or withheld, be sure the correct state is in the Filing State field of the State Unemployment area.**

15. **If this employee is subject to state disability insurance, either company-paid or withheld, be sure the correct state is in the Filing State field of the State Disability area.**

16. **To record the state tax information, click OK.**

17. **Click Local Taxes.**

See page 72 for a list of the local taxes that QuickBooks allows you to choose in this window.

If this employee is subject to a second local tax, enter it here.
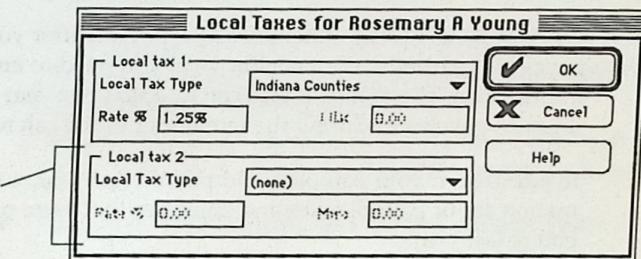
- If this employee is not subject to any local taxes, be sure that both **Local Tax Type** fields read "(none)."

- If this employee is subject to one of the local taxes on the drop-down list in the **Local Tax Type** field, choose that tax. Then enter the rate as a percentage (for example, enter 1.25% as **1.25**) You may use up to four decimal places.

  For Michigan Cities, enter the annual exemption in the **Misc** field. Use a decimal point and two decimal places (example: **3000.00**).

- If this employee is subject to a local tax that is not on the drop-down list in the **Local Tax Type** field, do not use this window. Instead enter a deduction for the tax in the Payroll Items table in the New or Edit Employee window (Step 19).

18. **To record the local tax information, click OK.**

19. **In the Additions, Deductions, & Company Contributions section of the New or Edit Employee window, enter all commissions, additions, deductions, and company contributions that affect this employee.**

    To enter an item, click in the Name field and choose from the drop-down list.

The order in which you list two or more items can affect how Quick-Books calculates the amounts. See "How the order of the items affects amounts and gross pay" on page 87.

If there is an annual limit on the amount for an item, be sure to enter the annual limit in the **Limit** field for the item.

If the amount or rate for the item varies from paycheck to paycheck, you may leave the **Amount** field blank and fill in the field in the Review Paycheck window when you are paying the employee.

20. **Click OK to record the payroll information.**

$ Summarizing amounts for this year to date

Skip this entire section if your company has just hired its first employees and has not done payroll before. You are ready to start writing paychecks.

When you start using QuickBooks for payroll after you've already issued paychecks earlier in the calendar year, you need to enter year-to-date information. Then QuickBooks can update your year-to-date amounts as it issues paychecks during the remainder of the calendar year.

In addition, if your company did payroll last year, you must enter information about payroll taxes and liabilities that were outstanding as of the end of last year.

There are three basic types of information you must enter.

1. YTD summaries for each employee

You must enter summaries of earnings, taxes, and other amounts for each individual employee (both current and former) you paid during the current calendar year.

> **You must enter all payroll taxes for each employee.**
>
> For each employee you must enter both taxes withheld *and taxes that are a company expense,* as long as you owed them as a result of the employee's earnings. For example, you must enter federal and state unemployment tax summaries for each employee.

Then you'll be able to do the following:

- Print correct year-to-date amounts on each paycheck.
- Create accurate payroll reports, including reports of current payroll liabilities.
- Correctly observe annual limits for taxes, deductions, and additions.

Depending on how you've kept your records, you can enter amounts summarized by month, by quarter, or for the entire year to date.

2. YTD summaries of payments of payroll taxes and other liabilities

You must enter summaries of payments made during the current calendar year for the following:

- Each payroll tax (whether withheld or paid as a company expense)
- Each deduction you withheld and then paid (for employee-paid dental insurance, for example)
- Each company contribution you tracked by payroll period and then paid (for company-paid health insurance, for example)

3. Taxes and other liabilities that were unpaid as of the end of last year

Finally, if your company had employees last year, you must enter the outstanding liabilities (or possibly credits) as of December 31 of last year for the following:

- Each payroll tax (whether withheld or paid as a company expense)
- Each deduction you withheld but had to pay later (for employee-paid dental insurance, for example)
- Each company contribution you tracked by payroll period but had to pay later (for company-paid health insurance, for example)

➢ **To enter YTD information for the current year:**

1. **From the Activities menu, choose Payroll and then Set Up YTD Amounts.**

    ```
    ══════════ Period for YTD Adjustments ══════════

    You must summarize employees' paychecks and associated company      ▶  Next
    liabilities for this year to date. These amounts affect future
    paychecks and payroll reports.                                      ✕  Cancel

    How would you like to enter these amounts?
        ⦿ Year to date
        ○ by Quarter
        ○ by Month
    ```
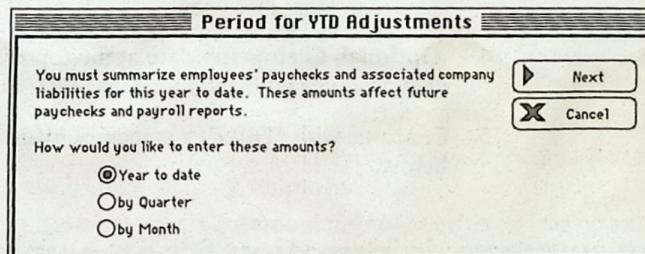
2. **Choose the option that makes it easiest for you to enter employee year-to-date information from your current records.**

    - Choose **Year to date** if you have totals by employee from January 1 through your last paycheck. (This option is the simplest, because you enter only one set of numbers for each employee.)
    - Choose **By quarter** if you have totals by employee subtotaled by quarter from January 1 through your last paycheck.

- Choose **By month** if you have totals by employee subtotaled by month from January 1 through your last paycheck. (This option puts the most detail into QuickBooks.)
- If your QuickBooks start date is after January 1 but before today, you may want to break up the information into at least two periods: one from January 1 through your start date, and the other from your start date to today. (See page 25 for a discussion of start dates.)

3. **Click Next.**

```
┌────────────────────────────────────────────────────────────────┐
│ ▣▭▭▭▭▭▭▭▭▭▭▭▭▭▭▭▭ Set Up YTD Amounts ▭▭▭▭▭▭▭▭▭▭▭▭▭▭▭ │
│                                                                  │
│   Year to date is defined as 1/1/95 to   04/26/95                │
│                                                                  │
│   1.Click Employee YTD to enter YTD dollar amounts for previous  │
│     paychecks and associated company liabilities for:     ┌──────────────┐
│                                                           │ Employee YTD │
│     Employee  Daniel Mack              ▼                  └──────────────┘
│                                                                  │
│                                                                  │
│   2.Click Prior Payments to enter YTD dollar amounts for prior   ┌───────────────┐
│     payments of payroll taxes and liabilities                   │ Prior Payments│
│                                                                  └───────────────┘
│                                                                  │
│   3.Click Unpaid Carryover to enter total dollar amounts for upaid ┌─────────────────┐
│     taxes and liabilities as of the end of last year.            │ Unpaid Carryover│
│                                                                  └─────────────────┘
│                                                                  │
│      ┌──────────┐   ┌─────────────┐   ┌──────────┐              │
│      │  Done    │   │ ✖  Cancel   │   │  Help    │              │
│      └──────────┘   └─────────────┘   └──────────┘              │
└────────────────────────────────────────────────────────────────┘
```

Choose an employee from the drop-down list, or enter the name of an employee you need to set up.

Click one of these three buttons to enter amounts from your records.

The Set Up YTD Amounts window is your "home base" for entering year-to-date amounts. You return to this window after entering amounts for one employee, entering payments, or entering the carryover from last year.

4. **(Optional) Change the date at the top of the window if your year-to-date amounts go through a date other than today.**

5. **Continue with "Entering summary information for an employee" below.**

Entering summary information for an employee

Follow this procedure for each employee whom you have already paid during the current year.

- You can skip any employees who are new to your company and have not received any paychecks.
- You must enter information for former employees who received paychecks during the current calendar year.

➤ **To enter payroll setup summary information for an employee:**

1. **In the Set Up YTD Amounts (now Initialize YTD Amounts) window (Step 3 above), choose the employee from the drop-down list in the Employee field.**

2. **Click Employee YTD.**

3. **In the YTD Adjustment window for this employee, enter the total amount for each payroll item for the period covered by the window.**

    For example, if you chose **By quarter** in Step 2 on page 93, enter summaries for the quarter ending on the date shown in the YTD Adjustment window.

In this window, enter summaries for the period specified here.

In this area, enter totals for salary or hourly wages paid during this period.

(Optional) Enter hours worked during the period, if you want hour totals for reports.

In this area, enter totals for all other earnings, withholdings, and company-paid taxes or payroll expenses for this employee. Include taxes regardless of whether you have paid them.

For social security and Medicare, enter the company-paid and employee-paid amounts separately. (Usually, each is half the total amount.)

YTD Adjustment for Daniel Mack		
Daniel Mack		Next
Quarter End Date 03/31/95 Class		Prev
		Cancel

Salary and Hourly Wages

Item Name	Period Amount	Hours for Period
Hourly Rate 1	10,400.00	520.00
Hourly Rate 2	300.00	10.00

Accounts Affected...

Show Wage Bases...

Other Employee and Company Payroll Items

Item Name	Period Amount
Sales Commission	1,300.00
401(k)	240.00
Federal Withholding	2,400.00
Social Security Company	744.00
Social Security Employee	744.00

To insert an item, choose Insert Line from the Edit menu. You can skip over items not used in the period with the end date shown above.

For information about these two buttons, see pages 96 through 98.

QuickBooks displays each payroll item you entered for this employee when you set up the employee.

- Leave the **Period Amount** field blank if there was no amount for this payroll item during this period.

- Add payroll items for one-time-only payroll amounts, such as bonuses, that occurred during this period. You must enter anything that affects compensation or payroll taxes. You do not have to enter nonpayroll adjustments such as reimbursements for office supplies.

- Enter separate amounts for the employee and company portions of social security and of Medicare. (Usually, the company portion matches the employee portion.) QuickBooks uses the separate amounts to track totals for employee withholding; it uses both portions to track your total tax liability.

- You must enter all tax liabilities created because of the compen-
sation paid, even if the taxes were paid later and even if they were
company expenses. For example, if the compensation was subject to
state unemployment tax, enter the amount of tax.

- If you decide to track company-paid expenses such as insurance as
a payroll expense for each pay period, you must enter amounts for
the employee in this window. Later in the setup procedure, you
must also enter amounts paid and amounts carried over from last
year, so that QuickBooks can keep track of how much you owe.

4. **After you've entered all amounts, click Next.**

   The first time you click Next, QuickBooks asks which accounts, if any,
   you want to affect.

When you click OK,
QuickBooks uses the
option you selected for the
current transaction. It asks
whether you want to use
the same option on future
YTD transactions.

To display this window at
any time, click Accounts
Affected in the YTD
Adjustment window.

Affect Accounts?

These amounts will affect payroll reports and YTD figures on
this employee's paychecks.

In addition, do you want to affect liability and expense account
balances?

- ◉ Do not affect accounts

- ○ Affect liability and expense accounts but
  not the bank account

- ○ Affect liability, expense and bank accounts

Bank Account [Checking]

✔ OK
✗ Cancel
Help

---
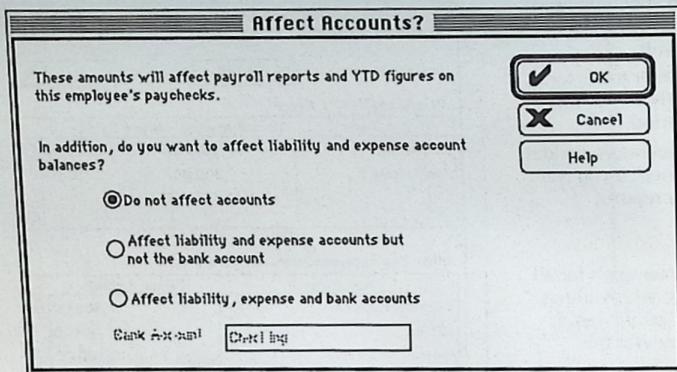
5. **Specify which accounts (if any) QuickBooks should affect, and click
OK.**

Option	When to choose	What QuickBooks does
Do not affect accounts	• You have been using Quicken and have been tracking payroll as recommended in the manual, so your account balances and expenses are already correct in QuickBooks. • You have already set up all your QuickBooks accounts with correct balances and do not want to change any account balances.	Affects no balance sheet accounts and adds no expenses. Simply adjusts year-to-date amounts to print on paychecks; to display in payroll reports; and to observe annual limits for taxes, deductions, and additions.

arizing amounts for this year to date

Option	When to choose	What QuickBooks does
Affect liability and expense accounts but not the bank account	• You did not start with Quicken data, and you are entering a summary for a period prior to your QuickBooks start date. • You started with Quicken data and your checking account balance is now correct in QuickBooks, but you did not track payroll liabilities in liability accounts.	• Enters an increase in each liability account associated with a payroll item used for the period. • Tracks an expense for each expense account associated with a payroll item used for the period. • Enters a decrease in the Opening Bal Equity account for the net amount paid the employee during the period. (This adjustment keeps your books in balance.)
Affect liability, expense, and bank accounts	You did not start with Quicken data; you are entering a summary for a period after your QuickBooks start date; and you did not enter individual paychecks in QuickBooks for the period between your start date and today.	• Enters a payment in the designated bank account for the net amount paid the employee during the period. • Enters an increase in each liability account associated with a payroll item used for the period. • Tracks an expense for each expense account associated with a payroll item used for the period.

6. **If you are entering amounts by month or by quarter, repeat Steps 3 and 4 for this employee until you have completed all periods for the current year.**

   If you did not start with Quicken data, you may want to affect accounts differently for the period between January 1 and your Quick-Books start date than for the period between your QuickBooks start date and today. Click Accounts Affected to change the accounts option you chose in Step 5.

7. **In the Set Up YTD Amounts window (page 94), choose the next employee from the drop-down list in the Employee field and click Employee YTD.**

   Repeat the procedure for this employee.

   If you have finished setting up year-to-date amounts for all employees, continue with "Recording prior liability payments" on page 98.

Wages bases

For every tax payroll item in the lower half of the YTD Adjustment window for an employee, QuickBooks tracks the wage base for reports. You can view the wage bases and even change them if you wish.

Summarizing amounts for this year to date

QuickBooks calculates the wage base for a tax as follows:

- Total of all salary, hourly wages, and commissions
- Plus those additions to gross that are subject to that specific tax
- Minus those deductions from gross that are deducted prior to calculating that specific tax
- If the total exceeds the maximum annual earnings limit for this tax, the wage base equals the maximum earnings limit. (If you entered amounts for earlier periods this year, QuickBooks counts the wage base from the earlier periods towards the maximum. For example, if the FUTA wage limit is $7,000 and you paid an employee $5,000 in each of the first two periods, the wage base for FUTA for the second period is $2,000.)

➤ **To view wage bases:**

- **At the YTD Adjustment window, click Show Wage Bases.**

   QuickBooks displays an additional column titled "Wage Base." If you need to, you can edit any amount shown.

   If you edit a wage base, QuickBooks uses the edited value when calculating the wage base for reports.

   - If you add another payroll item to this window after editing a wage base, QuickBooks retains your edited value, although it recalculates unedited values.
   - To make QuickBooks recalculate an edited wage base, delete it and press Tab.

   When the additional column is displayed, the name of the button changes to Hide Wage Bases. To hide the wage base column, click the button.

Recording prior liability payments

You need to tell QuickBooks about payments you've already made for taxes and other payroll liabilities from the beginning of the calendar year until the date of the first paychecks you write with QuickBooks.

If your company has not made any payments for payroll taxes or other liabilities during this calendar year, you can skip this adjustment.

For this adjustment, you'll need to know the following information:

- How much you paid from January 1 of this year for each payroll tax.
- How much you paid from January 1 of this year for each deduction you withheld and then paid (for employee-paid dental insurance, for example)
- How much you paid from January 1 of this year for each company contribution you tracked by payroll period and then paid (for company-paid health insurance, for example)

Note that this adjustment is just for payroll liabilities you paid. It is not for outright expenses (for example, salaries, bonuses, or hourly wages) for amounts paid directly to employees.

➤ **To summarize payments for taxes and other payroll liabilities prior to your setup date:**

1. **Display the Set Up YTD Amounts window (shown on page 94).**

   To display this window, choose Payroll from the Activities menu and then choose Set Up YTD Amounts.

2. **Click Prior Payments.**

Enter the end date for the payments you are summarizing.

For social security and Medicare, enter the company-paid and employee-paid amounts separately. (Usually, each is half the total amount.)

Prior Payments of Taxes and Liabilities			
Date	04/26/95		
Taxes and Liabilities			
Item Name	Amount	Memo	
Federal Withholding	20,000.00		
Social Security Compai	4,000.00		
Social Security Employ	4,000.00		
Medicare Company	800.00		
Medicare Employee	800.00		
Federal Unemployment	100.00		
CA – Withholding	7,000.00		
CA – Unemployment Co	300.00		
CA – Disability Employ	1,200.00		
CA – Empl Train Tax	10.00		

Buttons: Next, Prev, OK, Cancel, Accounts Affected...
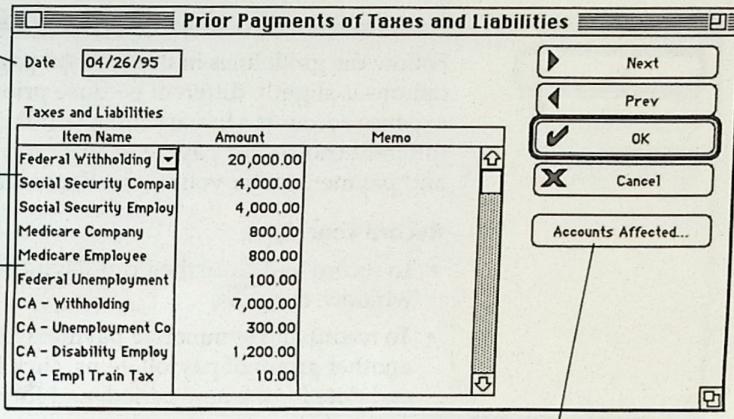
To change the accounts affected, click this button. See page 96 for more information.

3. **In the Date field, enter the end date for the payments you are summarizing.**

   For example, if you are summarizing all 1995 payments for the time period between January 1 and April 26, enter 4/26/95.

   If you did not start with Quicken data, and your QuickBooks start date is after January 1, it's a good idea to enter payments from January 1 through your start date first, and then enter payments from your start date through today.

4. **In the Item Name field, choose a payroll item. In the Amount field, enter the amount you paid for that item during the time period.**

5. **On additional lines, choose payroll items for other liabilities and enter the amount you paid for each.**

   If you prefer, you can enter, say, federal tax payments separately from state tax payments.

6. **Click Accounts Affected, choose an option, and click OK.**
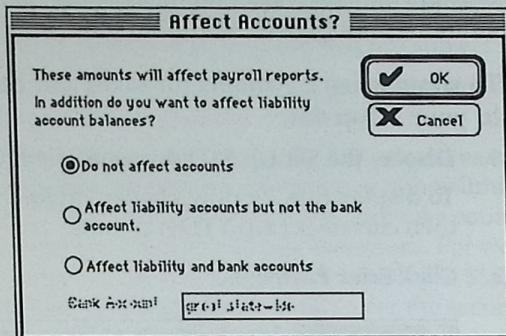
See page 96 for an explanation of these options.

> **Affect Accounts?**
>
> These amounts will affect payroll reports.
>
> In addition do you want to affect liability account balances?
>
> ✔ OK
> ✖ Cancel
>
> ⦿ Do not affect accounts
>
> ◯ Affect liability accounts but not the bank account.
>
> ◯ Affect liability and bank accounts
>
> Bank Account [grol state-bk]

Follow the guidelines in the table on page 96. (The wording of the options is slightly different because prior payments do not affect expense accounts.) In particular, you'll probably want to make different choices for payments prior to your QuickBooks start date and payments after your QuickBooks start date.

7. **Record your data.**
   - To record and close the Prior Payments of Taxes and Liabilities window, click OK.
   - To record and summarize payments for another period or for another group of payroll items, click Next. Change the date to the end date for the new period, and fill in the window.

Entering unpaid payroll liabilities carried over from last year

To create an accurate liabilities by payroll item report, you must tell QuickBooks what you owed for payroll taxes and other liabilities as of the end of last year.

If your company did not have employees last year, you can skip this adjustment.

For this adjustment, you'll need to know the following information:
- How much you owed as of December 31 of last year for each payroll tax.
- How much you owed as of December 31 of last year for each deduction you withheld but had to pay later (for employee-paid dental insurance, for example)
- How much you owed as of December 31 of last year for each company contribution you tracked by payroll period but had to pay later (for company-paid health insurance, for example)

Note that this adjustment is just for payroll liabilities you owed. It is not for outright expenses (for example, salaries, bonuses, or hourly wages) for amounts paid directly to employees.

➤ **To enter unpaid liabilities carried over for taxes, deductions, and company contributions:**

1. **Display the Set Up YTD Amounts window (shown on page 94).**

   To display this window, choose Payroll from the Activities menu and then choose Set Up YTD Amounts.

2. **Click Unpaid Carryover.**

This date should be December 31 of last year, since you are entering liabilities that were unpaid as of the end of last year.

For social security and Medicare, enter the company-paid and employee-paid amounts separately. (Usually, each is half the total amount.)

	Liability Carryover from Last Year		
Date	12/31/94		✔ OK
			✖ Cancel
Taxes and Liabilities			
Item Name	Amount	Memo	Accounts Affected...
Federal Withholding	300.00		
Social Security Compa	50.00		
Social Security Employ	50.00		
Medicare Company	10.00		
Medicare Employee	10.00		
CA – Withholding	–150.00		
CA – Disability Employ	75.00		
401(k)	175		

If you overpaid and had a credit balance, enter a minus sign before the amount of the credit balance.

3. **In the Date field, enter the last day of last year.**

4. **In the Item Name field, choose a payroll item. In the Amount field, enter the amount you owed for that item as of the end of last year.**

5. **On additional lines, choose payroll items for other liabilities and enter the amount you owed (or the credit) for each.**

   To enter a credit balance as of the end of last year, enter a minus sign before the amount.

6. **Click Accounts Affected, choose the appropriate option, and click OK.**

Affect Accounts?

If have chosen **Do not affect accounts** for *all* your previous year-to-date adjustments, choose it again here.

These amounts will affect the Payroll Liability by Item report.

In addition do you want to affect liability and expense account balances?

✔ OK

✘ Cancel

Help

○ Do not affect accounts

Otherwise, choose this option.

◉ Affect liability and expense accounts
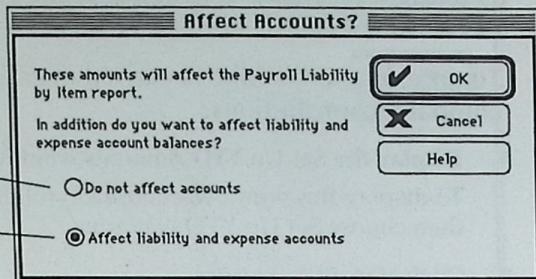
7. **In the Liability Carryover from Last Year window, click OK.**

If you chose to affect liability and expense accounts (Step 6), Quick-Books asks for an account to use to offset the amounts carried over for liabilities usually withheld or deducted from employee pay.

The expense QuickBooks enters is for the date December 31 of last year, so it doesn't appear on reports for the current calendar year.

Expense Account for employee liabilities

Expense Account for employee liabilities

Payroll Expenses ▼

✔ OK

✘ Cancel
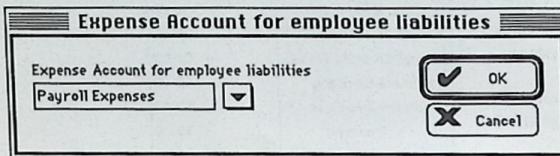
- Accept the prefilled account or enter a different expense account. If the account does not already exist, QuickBooks helps you set it up when you click OK.

Checking that you have set up correctly

Now that you have entered all your payroll information, it's a good idea to view some payroll reports to check that everything is just as you want it.

The payroll summary by employee report shows amounts broken down by employee. You'll need to customize the report to see amounts for the entire year to date.

The liabilities by payroll item report shows how much you currently owe for every payroll item for a tax or other payroll liability.

➤ **To check employee amounts for this year to date:**

1. **From the Reports menu, choose Payroll Reports and then Summary by Employee.**

2. **Change the date in the From field under the title bar of the report to January 1 of this year.**

3. **Examine the amounts shown on the report.**

    - Compensation and any other company expenses should be positive.
    - Deductions (including taxes withheld) should be negative.

4. **If any amount does not look correct, place the mouse pointer over the amount and double-click.**

    QuickBooks displays a report listing each setup transaction that contributed to the amount.

    To view the window for an actual transaction, place the mouse pointer over the transaction listed, and double-click. QuickBooks displays the YTD Adjustment window in which you entered the information. You can make changes in the window and then click OK to record them.

➤ **To check payroll liabilities for this year to date:**

1. **From the Reports menu, choose Payroll Reports and then Liabilities by Item.**

2. **Change the date in the From field under the title bar of the report to December 31 of last year.**

3. **Examine the amounts shown on the report.**

    - Amounts you owe are positive.
    - Amounts for which you have a credit balance (because you have paid more than you owed) are negative.

4. **If any amount does not look correct, place the mouse pointer over the amount and double-click.**

    QuickBooks displays a report listing each setup transaction that contributed to the amount.

    To view the window for an actual transaction, place the mouse pointer over the transaction listed, and double-click. QuickBooks displays the window in which you entered the information. You can make changes in the window and then click OK to record them.

Editing your setup amounts later

You can edit the windows containing your setup amounts by choosing Set Up YTD Amounts from the Payroll submenu of the Activities menu.

After you have set up correctly, don't edit your setup amounts.

The purpose of the setup summary amounts is to summarize payroll transactions that occurred since the beginning of the startup calendar year and before you used QuickBooks to write the first payroll check for this employee. As you write more checks, QuickBooks automatically updates its year-to-date totals on reports and paychecks. To see the latest totals, create a payroll summary by employee report.

When you click one of the buttons in the Set Up YTD Amounts window (page 94), QuickBooks displays the earliest window with filled-in amounts.

To do this:	You must do this:
View the next later window	Click Next.
View an earlier window	Click Prev.
Display a blank window	Click Next at the last filled-in window. Or, press 1 N or choose New ... from the Edit menu.
Delete the entire transaction in a window	Press 1 D or choose Delete ... from the Edit menu.
Void the entire transaction in a window	Choose Void ... from the Edit menu.
Change the accounts affected by the transaction in a window	Click Accounts Affected.
Record an editing change in a window	Click Next.

If your QuickBooks start date is not January 1

If you didn't start with Quicken data, and you have entered your setup summary information as described in this section, QuickBooks has entered all your payroll expenses for the current calendar year. You may now have duplicate payroll expenses for the period from January 1 to your start date, perhaps under an expense account name other than Payroll Expenses, the name QuickBooks uses by default.

If you wish, you can enter a one-time adjustment so that your profit and loss statement shows payroll expenses accurately for the current year.

When you start writing paychecks with QuickBooks, your profit and loss statement will remain accurate.

➤ **To make a one-time adjustment for payroll expenses:**

1. **Create a profit and loss statement for the period from January 1 through your QuickBooks start date.**

   From the Reports menu, choose Profit & Loss and then choose Standard. Change the dates in the **From** and **To** fields to be January 1 of this year and your QuickBooks start date.

2. **On the onscreen report, for each payroll expense account, double-click the amount to display a list of all transactions contributing to it.**

   The payroll transactions QuickBooks added are of the following type:

   - YTD Adjustment (summary for an employee)

3. **If any other types of transactions are on the list, click Filters. In the Transaction Type field of the Filter Transactions window, choose that other type and click OK.**

4. **Write down the new total for the amount.**

   Filter again for any other types that appeared in Step 2.

   Add up the totals, by payroll expense account, for all transactions that are not YTD Adjustments.

5. **Enter a general journal entry like the one on page 52.**

   - Put each payroll expense account on a separate line. For each account, enter the total for all transactions that are not YTD Adjustments in the **Debit** column.
   - On a separate line, enter the account Opening Bal Equity. In the **Credit** column enter the grand total of all payroll expenses that are not YTD Adjustments.
   - Click OK to record.

If you have been using liability accounts to track payroll liabilities prior to your QuickBooks start date, you can also make an adjustment to avoid duplicate payroll liabilities.

➤ **To make a one-time adjustment for payroll liabilities:**

1. **Create a balance sheet as of your QuickBooks start date.**

   From the Reports menu, choose Balance Sheet and then choose Standard. Change the dates in the **From** and **To** fields to be January 1 of this year and your QuickBooks start date.

2. **On the onscreen report, for each payroll liability account, double-click the amount to display a list of all transactions contributing to it.**

   The payroll transactions QuickBooks added are of the following type:
   - YTD Adjustment (summary for an employee)
   - Liability Adjust (prior payments)

3. **If any other types of transactions are on the list, click Filters. In the Transaction Type field of the Filter Transactions window, choose that other type and click OK.**

4. **Write down the new total for the amount.**

   Filter again for any other types that appeared in Step 2.

   Add up the totals, by payroll liability account, for all transactions that are not either YTD Adjustments or Liability Adjusts.

5. **Enter a general journal entry like the one on page 52.**
   - Put each payroll liability account on a separate line. For each account, enter the total for all transactions that are not either YTD Adjustments or Liability Adjusts in the **Debit** column.
   - On a separate line, enter the account Opening Bal Equity. In the **Credit** column enter the grand total of all payroll liabilities that are not either YTD Adjustments or Liability Adjusts.
   - Click OK to record.
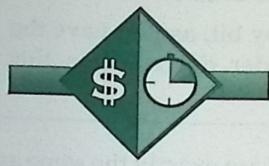
CHAPTER 5

Entering historical transactions

If you've decided on a start date from the past, you'll need to enter past transactions in order to have complete financial records from your start date forward.

You don't need to enter those historical transactions now; you can start right in with your current routine financial tasks. Even so, it's a good idea to take a look at this chapter, so that you know what you'll need to do when you get a chance.

Only after you enter your transactions from your start date up to today will you have the following:

- Accurate balances in your bank accounts and all other accounts
- Ability to reconcile your bank statements with your QuickBooks bank account
- Accurate and up-to-date records of what customers owe you and what you owe to vendors
- Accurate year-to-date profit and loss statement
- Accurate sales tax reports for any period after your start date

> **You must enter historical transactions in a specific order.**
>
> It's fine to enter your historical transactions bit by bit, as you have the time, but you'll need to enter them in the order described in this chapter.

The procedures for entering historical transactions are exactly the same as the procedures for entering current transactions. Just make sure to enter the date a transaction actually occurred, rather than today's date.

$ From your start date to today

You'll be entering all historical transactions from your start date to today. This will make your QuickBooks records just as complete as if you had started using the program on your start date.

You can enter historical transactions any time

Remember, you don't have to enter all your past transactions before you start using QuickBooks for your current transactions. Start now with current transactions as they occur, so you don't get behind. Then catch up with historical transactions when you can. Remember, though, that your checking account balance will be off until you've entered all the past transactions.

> **Entering current and historical transactions simultaneously**
>
> As you're entering historical transactions, you can also begin entering current transactions as they occur. The only exception lies in related transactions. For example, if you receive a payment today for an invoice you have not yet entered, it will be easier to enter the invoice first and then use QuickBooks to record the payment. That way, QuickBooks will link your transactions correctly to each other, and your records will be more useful.

Enter historical transactions in the order they occurred

For any transactions associated with payments, enter your transactions in the same order in which they actually took place.

For example, before you can record a customer's payment on an invoice, you need to have created the invoice. And before you can record a deposit of a customer's payment into your checking account, you need to have

recorded receiving the payment. Accounts receivable transactions are best recorded in the following order:

1. Create invoice.
2. Receive payment.
3. Deposit payment.

The same guideline applies to all other types of QuickBooks transactions. Record them in the order in which they occurred.

The following method is a good one to follow:

- Step 1: Enter sales and accounts receivable (A/R) transactions (below).
- Step 2: Enter accounts payable (A/P) transactions (see page 111).
- Step 3: Enter other checking (and any other) transactions last (see page 113).

This method ensures that QuickBooks knows which invoices and bills are paid in full, which are partially paid, and which are completely unpaid. As you record the payments (and the deposit of customer payments), you'll be updating your bank balance. Then you can fill in any other transactions not previously recorded.

Enter sales and accounts receivable (A/R) transactions

Important: Enter past sales and accounts receivable transactions **before** any past checking transactions. As you enter payments received from customers and then enter the deposit of such payments, QuickBooks updates your bank balance.

You may enter accounts payable (A/P) transaction ahead of A/R transactions. In fact, you may want to do this if you want to put reimbursable expenses from bills on your historical invoices.

Benefits

After you've entered the historical sales and A/R transactions from your start date to today, you'll have the following:

- Accurate records of what you sold during the period
- Accurate customer balances as of today
- Accurate records of which historical invoices are unpaid

What you need

For businesses that invoice customers and receive payment later

- Copy of invoices written between your start date and today
- Copy of credit memos written during that period
- Record of payments received and refunds made during that period
- Record of deposits of payments made during that period

For businesses that receive payment at the time of sale

- Record of what you sold between your start date and today, preferably grouped to correspond with deposits of sales income made
- Record of deposits of sales receipts made during that period

What to do

Enter your historical sales transactions in the following order. Be sure to enter the dates of the original transactions.

If you track sales from inventory

If you are recording sales of inventory items, don't worry if QuickBooks displays messages saying you do not have enough items in stock. Later, when you enter purchases of inventory, QuickBooks will automatically adjust the quantities.

- **Invoices** In the Create Invoices window, enter a copy of each historical invoice written between your start date and today. See Chapter 1, *Entering sales: invoices and cash sales*, beginning on page 3 of the *User's Guide*.

  Be sure to enter items in the **Item** field so QuickBooks can track your sales income in the correct accounts.

- **Cash sales** In the Enter Cash Sales window, enter the quantities of each item you sold and received payment for at the time of sale. You may group the sales as you wish if you don't track sales by customer. If possible, group them so that the money received from cash sales matches actual bank deposits. See Chapter 1, *Entering sales: invoices and cash sales*, beginning on page 3 of the *User's Guide*.

  Be sure to enter items in the **Item** field so QuickBooks can track your sales income in the correct accounts.

- **Returns** In the Create Credit Memos/Refunds window, enter returns for sales recorded previously. See "Recording a return" on page 78 of the *User's Guide*.

- **Payments** In the Receive Payments window, record each payment received from a customer for an outstanding invoice. Be sure to apply the payment to the appropriate invoices, and be sure the **Date** field shows the payment date. (If the payment was for all or part of the customer's open balance as of the start date, you see a QuickBooks invoice for that balance.) See Chapter 4, *Receiving and depositing payments*, beginning on page 67 of the *User's Guide*.

- **Deposits** Record each deposit of payments. In the Payments to Deposit window, select all customer payments (whether for invoices or cash sales) deposited on one date. In the Make Deposits window, be sure the **Date** field shows the deposit date. See "Depositing payments" on page 74 of the *User's Guide*.

You decide how much information you want to enter

As with all QuickBooks transactions, you decide how much detail to enter. Many fields in the windows are optional, meaning you can leave them blank if their contents don't matter to you. For example, you may want to omit memos and descriptions in your historical transactions.

Enter accounts payable (A/P) transactions

Important: Enter past accounts payable transactions **before** any past checking transactions. As you enter your bills and then enter the payment of these bills, QuickBooks updates your bank balance.

You may enter A/P transactions ahead of accounts receivable (A/R) transactions. In fact, you may want to do this if you want to put reimbursable expenses from bills on your historical invoices.

Benefits

After you've entered the historical bills and bill payments from your start date to today, you'll have the following:

- Accurate records of your billed expenses during the period
- (If you track inventory) Accurate records of quantities and costs of inventory items purchased during the period
- Accurate vendor balances as of today
- Accurate records of which historical bills are unpaid

What you need

- Copy of bills received between your start date and today
- Record of bill payments you made during that period

What to do

Enter your historical bill transactions in the following order. Be sure to enter the dates of the original transactions.

- **Bills** In the Enter Bills window, enter a copy of each bill received between your start date and today. Be sure to assign amounts to the correct expense accounts (or track the quantities and costs of items received). See "Entering bills when you receive them" on page 120 of the *User's Guide*.

- **Payments** In the Pay Bills window, record each bill payment you made between your start date and today. Be sure the **Payment Date** field shows the payment date. See "Paying bills" on page 127 of the *User's Guide*.

- **Check numbers** After you record the checks, display your checking account register. Record the correct number of each check in the **Doc** field. See "To open a register for any account:" on page 184 of the *User's Guide*.

Enter other checking (and any other) transactions last

After you've entered invoices, customer payments, deposits, bills, and bill payments, you can enter historical checking transactions.

If you're tracking sales or using accounts payable (A/P), don't enter checking transactions related to customers or vendors.

When you entered sales and A/P transactions, QuickBooks automatically recorded checking transactions such as the following:

- Checks you wrote to vendors to pay bills
- Deposits of customer invoice payments
- Deposits of cash sales receipts

Of course, it's all right to enter transactions that you're sure do not relate to sales or A/P transactions you've already entered. If you're unsure, look in your QuickBooks check register to see if the check or deposit in question is already there. (Remember, transactions in the check register are in date-order.)

Benefits

After you've entered the remaining checks, deposits, fees, and other bank transactions from your start date to today, you'll have the following:

- Accurate balance in your QuickBooks checking account
- Ability to reconcile your bank statements against your QuickBooks checking account
- Accurate records of payroll and miscellaneous income and expenses
- Accurate profit and loss statement for this year to date

What you need

- Record of checks written between your start date and today
- Record of deposits you made during that period
- Bank statements showing fees and other charges during that period
- (If you have payroll) Record of employee payroll from beginning of current calendar year or from your start date (whichever is earlier) to today

What to do

Enter your historical checking transactions using the date each transaction actually occurred, not today's date. It doesn't matter whether you enter checks before or after you enter deposits.

- **Checks** In the Write Checks window, enter all remaining nonpayroll checks written between your start date and today. Do not duplicate bill payments QuickBooks has already entered. Enter the actual check number in the **No.** field, and clear the "To be printed" checkbox. See "Writing checks" on page 156 of the *User's Guide*.

- **Deposits** In the Make Deposits window, enter all remaining deposits made between your start date and today. Do not duplicate sales deposits QuickBooks has already entered. See "Making deposits" on page 168 of the *User's Guide*.

- **Fees** In the check register, enter any other fees or charges from your bank statement. Also enter any transfers between bank accounts. See "Entering transactions in a bank account register" on page 186 of the *User's Guide*.

To make sure your account is correct, reconcile against your statements.

QuickBooks has an easy-to-use reconcile feature that lets you track which checks have cleared your bank. After you've entered your checking transactions, it's a good idea to reconcile your QuickBooks register with each statement, one at a time, from the first statement after your start date to your last statement. Then you'll know that QuickBooks and your bank are in agreement. See Chapter 12, *Reconciling checking accounts*, beginning on page 171 of the *User's Guide*.

$ If you decide to change your start date

You may find that you want to chose a later start date so you don't have to enter so many "catch-up" historical transactions. Here's what you need to do:

- If any balance sheet account is fully caught up and has the correct balance as of today, leave it alone. It should have the correct balance for your new, later start date.

- For any balance sheet account that is missing historical transactions and does not have the correct balance as of today, edit the opening balance transaction in the register for that account. Change the date to the new

start date and enter the opening balance for the new start date. See "Editing your opening balances" on page 48.

Then delete all transactions in the register that are earlier than the new start date. However, do not delete any payroll transactions if you are using QuickPay and have set them up correctly. (You may need to enter a balance adjustment to offset such payroll transactions, so that the account balance is correct as of your start date.)

- (Optional) Adjust your year-to-date income and expenses for the beginning of your fiscal year up through the start date. See "Adjusting for midyear setup" on page 51.

On the other hand, if you want an earlier start date in order to track detail for an earlier period, do the following:

- Edit the opening balance transaction in the register for each balance sheet account. See "Editing your opening balances" on page 48.

- Enter all the missing historical transactions from your new start date to your old start date.

- (Optional) Adjust your year-to-date income and expenses for the beginning of your fiscal year up through the start date. See "Adjusting for midyear setup" on page 51. If you previously entered such an adjustment and are moving back to the end of last fiscal year, delete the old adjustment.
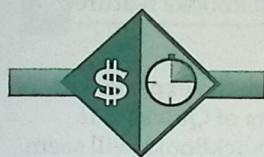
CHAPTER 6
For Quicken users

QuickBooks for Macintosh can convert* data created in Quicken for Macintosh version 3 or higher.

If you've been using Quicken for Macintosh 1 or 1.5

QuickBooks can use data directly from Quicken for Macintosh 3 or higher, but not from Quicken 1 or 1.5. To use your current data in QuickBooks, you need to update it to a more recent version of Quicken using free software from Intuit.

To receive both the software you need and complete instructions, call the number listed for Technical Support on page 443 of this book.

This chapter explains how to convert your Quicken data into QuickBooks for Macintosh data and the differences you will see between the two programs.

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* After converting your data, you will have two sets of data: your original, unchanged data, and your new QuickBooks data.

You'll need to make some adjustments to your new QuickBooks company, as described in this chapter, to take advantage of QuickBooks features Quicken does not offer.

QuickBooks incorporates what Intuit has learned from the experiences and needs of hundreds of thousands of business users of Quicken. If you've been using Quicken for your small business, QuickBooks will seem very familiar. But don't assume QuickBooks works exactly like Quicken!

QuickBooks for Macintosh is a completely new program with a long list of new features specifically tailored to business needs. You should expect to spend more time becoming acquainted with QuickBooks than you may have spent in the past with upgrade versions of Quicken.

$ Comparing QuickBooks and Quicken

Look over the terminology and feature differences between Quicken and QuickBooks on the next few pages. Once you understand the few differences between the programs, QuickBooks will feel very familiar.

Terminology differences

Quicken uses terms familiar to anyone who has used a checkbook. QuickBooks uses a few terms standard in business bookkeeping and terms that reflect the increased power and convenience of QuickBooks for business.

The following table lists the most important differences in terms. It does not list the many completely new QuickBooks features and terms.

Quicken term	QuickBooks term	Definition
File	Company	All records related to one bookkeeping entity—one set of books.
Account	Balance sheet account	A grouping of records related to one kind of asset, liability, or equity. These accounts appear on a balance sheet.
Category	Income or expense account	A grouping of transactions related to one kind of income or expense. These accounts appear on a profit and loss statement (income statement).
Category and Transfer List *plus* Account List	Chart of Accounts	The QuickBooks Chart of Accounts is equal to the Quicken account list (balance sheet accounts) plus the Quicken category list (income and expense accounts). You can add, edit, or delete any kind of account in QuickBooks.

Feature differences

The following table lists features that exist in both Quicken and Quick-Books, but that work differently in QuickBooks than what you're used to in Quicken.

Feature	Quicken	QuickBooks
Entering transactions	Enter most transactions in registers.	Enter most transactions in forms (check window, invoice window, and so on). In QuickBooks, you can copy and paste a transaction from one register to another.
Write Checks	Displays a check that looks like a paper personal check.	Displays a business check with voucher area (so the "split" is part of the check form).
Classes	Use a slash (/) to separate a category from a class in transactions.	Enter classes in separate fields. No need for a slash (/) as a separator. In QuickBooks, jobs and projects can be associated with customers as part of the Customer:Job list, so you can use classes for different kinds of classification.
Transfers	Use brackets [] to indicate a transfer to another balance sheet account.	No need to use brackets. QuickBooks handles transfers like any other transaction.
Passwords	One password for entering and viewing data.	Three levels of password protection (including one for payroll).
Reports	Offers reports for personal finance and investments. Has only a few business reports.	Omits personal finance reports and investment reports. Offers many pre-designed reports for businesses.
Subaccounts	Categories can have subcategories, but accounts cannot have subaccounts.	All accounts, even balance sheet accounts, can have subaccounts.
Payroll accounts (If you set up your accounts as described in the Quicken manual)	A separate liability account for each tax withheld and for each other payroll liability.	You can continue using your old liability accounts. However, with the new system of tracking by using payroll items, you can put all payroll liabilities into a single liability account.

New and renamed balance sheet accounts

Balance sheet accounts (assets, liabilities, and equity) are those accounts whose balances affect your balance sheet report. QuickBooks and Quicken have similar kinds of balance sheet accounts, but QuickBooks adds some and uses different names for some account types. When you convert a Quicken file for use in QuickBooks, the program automatically creates QuickBooks accounts most like your Quicken accounts. For details, see the table on page 128.

Should you continue using Quicken for some things?

Once you're using QuickBooks for your business, you'll probably want to continue using Quicken for your personal finances.

Here are some personal-finance activities you can perform only with Quicken:

Track investments

Quicken includes investment tracking and reporting. Quicken updates the market values when you enter the latest share prices, and it reports on average annual total return, capital gains, and investment income.

Pay personal bills electronically

With Quicken you can use CheckFree, an electronic payment service, to pay your bills electronically.

Receive electronic credit card statements

If you use IntelliCharge with Quicken, you can receive an electronic statement that categorizes your purchases for you.

Amortize mortgage loans

Each time you record a payment made on a loan, Quicken updates the dollar amount of payments made and calculates the amount credited to principal and interest.

Create reports for personal finances

Quicken has many preset reports, such as the tax schedule report, designed for personal use.

$ Preparing your Quicken data for conversion

You may need to make some changes to your Quicken account list and your memorized transaction list to make the transition from Quicken to QuickBooks as smooth as possible.

If you plan to continue using Quicken with this data (for example, if you had combined business and personal finances in your Quicken file), make a copy of your Quicken file to convert before you make any of the following changes.

Convert only the accounts you want to use in QuickBooks

Before you convert to QuickBooks, delete accounts in Quicken that you know you won't want in QuickBooks. In QuickBooks, you cannot delete accounts that contain transactions, but in Quicken you can. So it's easier to delete accounts you know you won't want before you convert.

You might want to delete some accounts from your Quicken file in the following situations:

- You have personal accounts as well as business accounts in your Quicken file.
- You have an investment account in your Quicken file.

  Your Quicken investment account would be converted to a QuickBooks Other Current Asset account, because QuickBooks does not have a special feature to track investments. You can keep the QuickBooks Other Current Asset account, using it simply as a way to include the value of your investments in your QuickBooks balance sheet. Continue tracking your investments in Quicken and update the QuickBooks Other Current Asset account balance periodically. Or you can delete the investment account from the file you're converting to QuickBooks and continue to track investments only in Quicken.

Review your memorized transactions

If you have the preference for memorizing all transactions turned on in Quicken, QuickBooks does not convert stand-alone memorized transactions. Therefore, if you have memorized transactions in Quicken that you'd rather not retype in QuickBooks, you can do one of two things:

- Turn off the preference for memorizing all transactions in Quicken. Delete any memorized transactions you do not want to convert.
- Put all the memorized transactions you want to convert into a memorized transaction group in Quicken. QuickBooks always converts memorized transaction groups. After the conversion is complete, you can remove the memorized transactions from the group and use them as you did in Quicken.

$ Creating a QuickBooks company with Quicken data

You can use your data from Quicken for Macintosh 3 or later with Quick-Books. When you first choose a Quicken file to use with QuickBooks, the program automatically copies your Quicken data to files in the Quick-Books format for a "company."

QuickBooks does not change your original Quicken files in any way.

You can continue to use those original files with Quicken. You may want to continue using Quicken for personal finance and for investment accounts. There is no connection between your Quicken data and your new QuickBooks company. QuickBooks has created a new set of data files for you to use with QuickBooks.

Converting your Quicken file

➤ **To convert your Quicken file into a QuickBooks for Macintosh company:**

1. **Be sure that Quicken is not running.**

2. **If you haven't already installed QuickBooks, do so now.**

   See Chapter 1, *Installing QuickBooks*, beginning on page 1.

3. **Double-click the QuickBooks icon to run the program.**

   If you are starting QuickBooks for the first time, QuickBooks displays the welcome window, which offers several options.

   - Now is a good time to view the QuickTour demo. It gives two brief overviews: one of the features and one of the basic task areas.

   - In the welcome window, if you choose to convert data from Quicken, QuickBooks displays a window where you can select the Quicken file you want to convert (Step 5 on page 124).

4. **From the File menu in QuickBooks, choose Convert From; then choose Quicken.**

   If Convert From is grayed, choose Close Company from the File menu; then choose Convert From and Quicken.

5. Select the folder containing the Quicken data file you want to convert and click Open. Then click your Quicken data file and click Open.

To change to a different folder, choose the folder you want from the drop-down list.

📁 Applications ▼	⬜ Macintosh HD
📁 HyperCard 2.1 Player	**Eject**
📁 MacDraw Pro Folder	
📁 MacProject Pro Folder	**Desktop**
📁 Norton Utilities 2.0	
📁 Quicken 4 Folder	
📁 SAM 3.5 ƒ	**Cancel**
📁 SoftAT	
📁 Word	**Open**
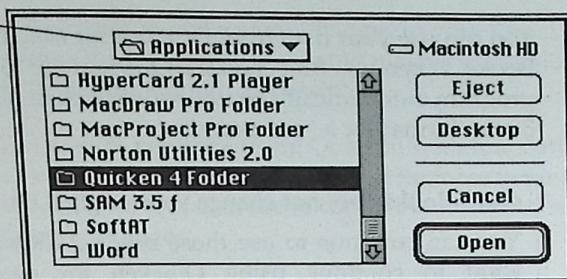
QuickBooks is preset to store your new data file in the same folder where you installed the program.

You can change the folder by clicking here to see a list of all folders on this drive. Then double-click the folder you want.

Name your new QuickBooks for Macintosh file here.

📁 QuickBooks folder ▼	⬜ Macintosh HD
📄 Canada.iif	**Eject**
📄 CHARTS.DAT	
📄 CHARTS.IIF	**Desktop**
◈ QB A38 Installer	
◈ QuickBooks	**New** 📁
📄 QuickBooks Help	
Create a new QuickBooks file	**Cancel**
Macadamia C & S.QB	**Save**
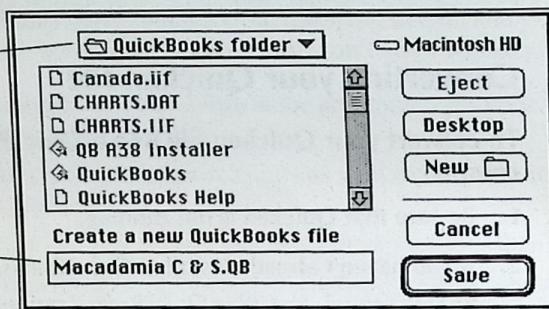
6. Enter a filename for your new QuickBooks data file.

7. (Optional) Change the default folder for your new data file.

8. Click Save.

If your file is protected with a password, enter the password.

QuickBooks tells you it is converting your Quicken data.

9. During the conversion, answer the question about whether you've been tracking accounts receivable in Quicken.

If you have been tracking A/R, see "Changing to QuickBooks accounts receivable" on page 125.

Quicken Convert
Do you track accounts receivable information in Quicken?
Yes **No** **Cancel**
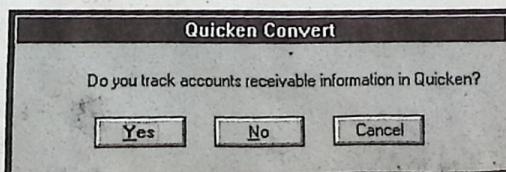
When QuickBooks tells you the conversion is successful, you've created a QuickBooks company with your Quicken data.

10. **Before you begin using QuickBooks, choose Company Info from the File menu, and fill in your company information.**

11. **(If you track inventory or write purchase orders) Turn on the preference for inventory and purchase orders.**

    From the Prefs menu, choose Inventory/PO's. Then select the preference "Inventory and purchase orders are active" and click OK.

12. **(If you collect sales tax from customers) Turn on the sales tax preference and then set up at least one sales tax item.**

    For instructions, see Chapter 3, *Tracking and paying sales tax*, beginning on page 49 of the *User's Guide*.

    If you plan to use QuickBooks for payroll, turn on the payroll preference. For instructions on setting up payroll, see Chapter 4, *Setting up payroll*, beginning on page 57.

13. **(If you need to convert another Quicken file) Choose Close Company from the File menu and return to Step 4 on page 123.**

$ Changing to QuickBooks accounts receivable

As QuickBooks begins converting your Quicken accounts, it gives you a chance to identify which of your Quicken accounts you have been using as accounts receivable (A/R) accounts.

➤ **To convert your existing Quicken accounts receivable to QuickBooks accounts receivable:**

1. **During Step 9 of the conversion process (page 124), click Yes in the Quicken Convert window.**

   QuickBooks displays a list of your Quicken accounts.

2. **Select the Quicken account or accounts you use for A/R.**

   Using the mouse, check off the account or accounts you've been using as accounts receivable accounts to track customer invoices and invoice payments.

   Be sure NOT to select your checking account. If you choose the wrong accounts, you will have to convert again.

3. **Click OK.**

   QuickBooks uses the data from your Quicken A/R account to create a QuickBooks A/R account.

The transactions in your Quicken A/R account are converted in the following ways:

This item in your Quicken A/R account...	...is converted to this in QuickBooks:
Each transaction that increases your A/R balance	An invoice to a customer
Each transaction that decreases your A/R balance and has only one split line	A payment from a customer
Each transaction that decreases your A/R balance and has more than one split line	A credit memo to a customer
Each payee	A customer on your QuickBooks Customer:Job list
Each category	Both an item on your Item list and an income account on your chart of accounts

QuickBooks marks invoices as paid by assigning each payment it converts to the oldest invoices for that customer first.

The conversion saves you the time of typing in all your accounts receivable transactions, but you'll probably want to make some changes to the converted data.

For example, if the category you used in most A/R transactions was "Sales income," you'll want to change the name of the converted invoice item from "Sales income" to the product or service you actually sell, such as "Consulting hours." The converted income account, however, may be just fine as "Sales income."

For details about QuickBooks items, see Chapter 2, *Tracking items you buy, sell, or resell,* beginning on page 27 of the *User's Guide.* You don't have to make changes now. QuickBooks makes it easy to make changes at any time.

To learn about using and viewing QuickBooks accounts receivable, see "Sales and A/R" on page 1 of the *User's Guide.*

$ Changing to QuickBooks accounts payable

The Quicken manual explains how to use Quicken for cash-basis accounts payable and for accrual-basis accounts payable. For a cash-basis system, the manual recommends using a Bank account and simply postdating checks. For an accrual-basis system, the manual recommends using an Other Liability account. The transition to QuickBooks accounts payable is the same for either system.

QuickBooks automatically adds a new account named Accounts Payable to your chart of accounts when you enter your first bill.

If you use postdated checks to track your bills, treat checks you've already entered in your usual manner.

If you had a Quicken Other Liability account for accounts payable, it is now a QuickBooks Other Current Liability account. Continue to use it only for bills you already entered that are still outstanding. Track your payments of these bills as you did in Quicken.

No matter which method you were using in Quicken, **from now on, enter new bills into the new QuickBooks accounts payable account (using the Enter Bills window).**

Quicken payees are now on the Other Names list in QuickBooks. You must move vendor names from the Other Names list to the Vendor list before you can use them in accounts payable. See "To move customers, vendors, and employees to their own list:" on page 129.

If QuickBooks converted memorized transactions for Quicken accounts payable, delete them because they will not work in QuickBooks accounts payable.

For complete information about using QuickBooks for accounts payable, see Chapter 8, *Entering and paying bills*, beginning on page 119 of the *User's Guide*.

$ Differences in your new QuickBooks data

- For each account in the Quicken file, QuickBooks creates a balance sheet account of the type closest to the Quicken account type. Your Quicken accounts will be classified as shown in the table below.

Quicken account type	QuickBooks account type
Bank	Bank
Credit Card	Credit Card
Cash	Other Current Asset
Other Asset	Other Current Asset
Other Liability	Other Current Liability
Investment	Other Current Asset

- In a few cases, you may not want to continue using the account that QuickBooks created automatically. To learn how to change or delete QuickBooks accounts, see "Chart of accounts" on page 40.

- QuickBooks creates an Opening Bal Equity account. This is an account that helps you set up. When you create new accounts and enter their opening balances, QuickBooks automatically enters the amount in the Opening Bal Equity account, so that your accounts balance. You can leave the Opening Bal Equity amount, or you can distribute the amount to other equity accounts. To learn about distributing the Opening Bal Equity amount, see "Distributing earnings and equity from before your start date" on page 53.

- QuickBooks does not copy memorized reports, because QuickBooks reports are too different from Quicken reports.

- QuickBooks changes your Quicken categories and subcategories into income and expense accounts with subaccounts.

Editing your Other Names list

QuickBooks places the name (or description) from every Quicken transaction (except in your A/R account) on the Other Names list. Thus, this list will contain not only names of customers, vendors, and employees but also descriptions such as "Deposit," "Transfer," and "Interest."

If you have slightly different versions of the same name (for example, Mike Rhymes, Michael Rhymes, and Michael P. Rhymes), QuickBooks will put each version of the name on the Other Names list.

QuickBooks will not allow you to delete any name used in a transaction. However, you can shorten the list.

➤ **To merge similar names:**

1. From the Lists menu, choose Other Names.

2. Select a name you want to merge into another name, and click Edit.

3. Edit the name so that it is exactly like the name you want to keep.

4. Click OK.

5. When QuickBooks asks whether you want to merge this name with the existing name, click Yes.

➤ **To move customers, vendors, and employees to their own list:**

1. From the Lists menu, choose Other Names.

2. Select a name you want to move, and click Edit.

3. Click Change Type.

4. In the Select Name Type window, choose Vendor, Customer, or Employee.

   This change cannot be undone after you record it.

   A name can be on only one list. If you need to have the same person or company on two lists, add a new name that is slightly different from the first name.

5. Click OK at this window and again at the Edit Name window.

Values for state payroll tax fields

The table in this appendix tells you how to fill in the fields for an employee's state income tax withholding in the State Taxes window for the employee.

```
═══════════════ State Taxes for Daniel Mack ═══════════════
┌─ State Withholding ──────────────────────────┐   ┌──────────────┐
│ Filing State    [CA      ▼]                   │   │ ✔   OK       │
│                                              │   ├──────────────┤
│ Filing Status  [Head of Household  ▼] Allowances [2]│  ✘  Cancel  │
│                                              │   ├──────────────┤
│ Extra          [0.00        ]     Misc [    ]│   │    Help      │
┌─ State Unemployment ─┐ ┌─ State Disability ──┐   └──────────────┘
│ Filing State [CA  ▼] │ │ Filing State [CA ▼] │
└──────────────────────┴─┴─────────────────────┘
```

Look up your state in the table that starts on the next page, and read about any special entries you must make in these fields.

┌──┐
│ **How QuickBooks calculates state income tax withholding**   │
│   │
│ The Withholding Method column in the table lists the method   │
│ (approved by the state taxing authorities) that QuickBooks uses to │
│ withhold state income taxes.   │
│   │
│ If you have been using another approved method(for example, a wage- │
│ bracket table published by your state or other tax authority), you may │
│ notice that QuickBooks withholds a slightly different amount. **Don't** │
│ **worry about such discrepancies**—they are not important.   │
└──┘

State	Withholding method	Allowances Filing status	Misc
Alabama (AL)	Percentage	*Allowances*: If not claiming personal exemption, enter 0. If claiming personal exemption, enter 1.	Enter number of dependents.
Alaska (AK)	No state income tax		
Arizona (AZ)	Percentage of federal tax withholding	*Allowances*: No entry necessary.	Enter the percentage of federal tax withholding. For example, enter 17% as 17.
Arkansas (AR)	Formula	*Allowances*: If claiming no personal exemption, enter 0. If claiming one personal exemption (single or married), enter 1. If married and claiming two personal exemptions, enter 2.	Enter number of dependents.
California (CA)	Exact calculation	*Allowances*: Enter number of standard deductions. Do not include any itemized deductions; use the Misc field to claim itemized deductions. *Filing Status*: Select Single from the drop-down list if the employee is married and has dual income (both spouses work) or is married and has multiple employers.	Enter the number of additional withholding allowances for itemized deductions. For example, enter 5 as 5.
Colorado (CO)	Percentage	*Allowances*: Enter number of allowances.	No entry necessary.

State	Withholding method	Allowances Filing status	Misc
Connecticut (CT)	Percentage	*Filing Status*: Not used.	Enter the filing status as follows. Enter A if: single; or married, filing separately; or married, spouse also works, and combined income is $72,000 or less. Enter B if filing as head of household on the federal return. Enter C if married and spouse does not work. Enter D if: married, spouse also works, and combined income is more than $72,000; or has significant nonwage income and wishes to avoid having too little tax withheld; or nonresident. Enter E if exempt from tax.
Delaware (DE)	Formula	*Allowances*: Enter total number of exemptions.	No entry necessary.
District of Columbia (DC)	Percentage	*Allowances*: Enter total number of exemptions.	No entry necessary.
Florida (FL)	No state income tax		
Georgia (GA)	Percentage	*Allowances*: Enter the number of personal exemptions claimed.	Enter the total of the number of dependents claimed and the number of additional allowances claimed.
Hawaii (HI)	Formula	*Allowances*: Enter total number of exemptions.	No entry necessary.
Idaho (ID)	Alternate method	*Allowances*: Enter total number of exemptions.	If a farmer employer or other employee exempt from federal withholding, enter 1 to withhold 1% for Idaho tax; otherwise no entry is necessary.
Illinois (IL)	Direct percentage	*Allowances*: Enter total number of exemptions.	No entry necessary.
Indiana (IN)	Deduction constant table	*Allowances*: Enter total number of exemptions.	No entry necessary.

State	Withholding method	Allowances Filing status	Misc
Iowa (IA)	Computer formula	*Allowances*: Enter total number of exemptions.	No entry necessary.
Kansas (KS)	Percentage	*Allowances*: Enter total number of exemptions.	No entry necessary.
Kentucky (KY)	Computer formula	*Allowances*: Enter total number of exemptions.	No entry necessary.
Louisiana (LA)	Percentage of state wage	*Allowances*: If claiming no personal exemption, enter 0. If claiming one personal exemption, enter 1. If claiming two personal exemptions, enter 2.	Enter number of dependents.
Maine (ME)	Percentage rounded to nearest dollar	*Allowances*: Enter total number of exemptions. *Filing status*: If married and only one spouse has income, choose Married filing jointly; if both spouses have income, choose Married.	No entry necessary.
Maryland (MD)	Percentage	*Allowances*: Enter total number of exemptions.	If subject only to state tax, enter 100 (for 100%). If subject to state and county tax, enter the total of state and county tax percentages. For example, if the county tax is 25%, enter 125 (for 100% + 25%). For nonresidents subject only to county tax, enter the county tax percentage. For example, if the county tax is 20%, enter 20.
Massachusetts (MA)	Percentage	*Allowances*: Enter total exemptions claimed other than blindness. (Use the **Misc** field to claim the blindness exemption.)	If claiming no blindness exemption, enter 0. If claiming one blindness exemption, enter 1. If claiming two blindness exemptions, enter 2.

State	Withholding method	Allowances Filing status	Misc
Michigan (MI)	Direct percentage	*Allowances*: Enter total number of exemptions. If you deduct a tax for Michigan cities, enter the dollar amount for each exemption in the **Misc** field of the Local Taxes window.	No entry necessary.
Minnesota (MN)	Computer formula rounded to the nearest dollar	*Allowances*: Enter total number of exemptions.	No entry necessary.
Mississippi (MS)	Computer formula	*Allowances*: No entry necessary. *Filing Status*: If married, filing jointly, and only one spouse works, choose Married filing jointly; if both spouses work, choose Married.	Enter the total annual exemption amount in dollars and cents. For example, enter $1,700 as 1700.00.
Missouri (MO)	Percentage rounded to nearest dollar	*Allowances*: Enter total number of exemptions.	No entry necessary.
Montana (MT)	Percentage	*Allowances*: Enter total number of exemptions.	No entry necessary.
Nebraska (NE)	Percentage	*Allowances*: Enter total number of exemptions.	For state residents, leave the **Misc** field blank. For nonresidents working in Nebraska, enter the apportionment percentage from the employee's allocation certificate. For example, enter 45% as 45.
Nevada (NV)	No state income tax		
New Hampshire (NH)	No state income tax		
New Jersey (NJ)	Percentage	*Allowances*: Enter total number of exemptions.	For Table A, enter A. For Table B, enter B. For Table C, enter C. For Table D, enter D. For Table E, enter E.
New Mexico (NM)	Percentage	*Allowances*: Enter total number of exemptions.	No entry necessary.

State	Withholding method	Allowances Filing status	Misc
New York (NY)	Exact calculation	*Allowances*: Enter total number of exemptions.	No entry necessary.
North Carolina (NC)	Percentage	*Allowances*: Enter total number of exemptions.	For a Qualifying Widow or Widower, enter W. For all other employees, no entry is necessary.
North Dakota (ND)	Percentage of federal tax withheld	*Allowances*: No entry necessary.	No entry necessary.
Ohio (OH)	Computer formula	*Allowances*: Enter total number of exemptions.	No entry necessary.
Oklahoma (OK)	Computer formula	*Allowances*: Enter total number of exemptions. *Filing status*: If the employee wants taxes to be withheld at the higher rate for married persons with both spouses working, choose Married filing jointly.	No entry necessary.
Oregon (OR)	Computer formula rounded to the nearest dollar	*Allowances*: Enter number of allowances.	No entry necessary.
Pennsylvania (PA)	Percentage of total compensation	*Allowances*: No entry necessary.	No entry necessary.

State	Withholding method	Allowances Filing status	Misc
Puerto Rico (PR)	Percentage	**Allowances:** Enter number of dependents only. Don't include personal exemptions or allowances for deductions.	Enter the total annual amount (in dollars) of the personal exemption plus allowances for deductions. Each allowance based on deductions is $500. Personal exemptions are: • $1300 single • $3000 married, claiming all of the personal exemption or head of family • $1500 married, claiming one-half of the personal exemption For example, if the employee is a married person claiming one-half of the personal exemption, with three allowances, enter 3000 (for $1500 + (3 x $500)).
Rhode Island (RI)	Percentage	**Allowances:** Enter total number of exemptions.	No entry necessary.
South Carolina (SC)	Computer formula	**Allowances:** Enter total number of exemptions.	No entry necessary.
South Dakota (SD)	No state income tax		
Tennessee (TN)	No state income tax		
Texas (TX)	No state income tax		
Utah (UT)	Percentage	**Allowances:** Enter total number of allowances.	No entry necessary.
Vermont (VT)	Percentage	**Allowances:** No entry necessary.	Leave blank if all wages are earned in Vermont. For nonresident employees who have wages both inside and outside of Vermont, enter the percentage that Vermont wages are of total wages. For example: If an employee earns $10,000 in Vermont and $15,000 outside of Vermont, enter 40 (for 40%).

State	Withholding method	Allowances Filing status	Misc
New York (NY)	Exact calculation	*Allowances*: Enter total number of exemptions.	No entry necessary.
North Carolina (NC)	Percentage	*Allowances*: Enter total number of exemptions.	For a Qualifying Widow or Widower, enter W. For all other employees, no entry is necessary.
North Dakota (ND)	Percentage of federal tax withheld	*Allowances*: No entry necessary.	No entry necessary.
Ohio (OH)	Computer formula	*Allowances*: Enter total number of exemptions.	No entry necessary.
Oklahoma (OK)	Computer formula	*Allowances*: Enter total number of exemptions. *Filing status*: If the employee wants taxes to be withheld at the higher rate for married persons with both spouses working, choose Married filing jointly.	No entry necessary.
Oregon (OR)	Computer formula rounded to the nearest dollar	*Allowances*: Enter number of allowances.	No entry necessary.
Pennsylvania (PA)	Percentage of total compensation	*Allowances*: No entry necessary.	No entry necessary.

State	Withholding method	Allowances Filing status	Misc
Puerto Rico (PR)	Percentage	**Allowances:** Enter number of dependents only. Don't include personal exemptions or allowances for deductions.	Enter the total annual amount (in dollars) of the personal exemption plus allowances for deductions. Each allowance based on deductions is $500. Personal exemptions are: • $1300 single • $3000 married, claiming all of the personal exemption or head of family • $1500 married, claiming one-half of the personal exemption For example, if the employee is a married person claiming one-half of the personal exemption, with three allowances, enter 3000 (for $1500 + (3 x $500)).
Rhode Island (RI)	Percentage	**Allowances:** Enter total number of exemptions.	No entry necessary.
South Carolina (SC)	Computer formula	**Allowances:** Enter total number of exemptions.	No entry necessary.
South Dakota (SD)	No state income tax		
Tennessee (TN)	No state income tax		
Texas (TX)	No state income tax		
Utah (UT)	Percentage	**Allowances:** Enter total number of allowances.	No entry necessary.
Vermont (VT)	Percentage	**Allowances:** No entry necessary.	Leave blank if all wages are earned in Vermont. For nonresident employees who have wages both inside and outside of Vermont, enter the percentage that Vermont wages are of total wages. For example: If an employee earns $10,000 in Vermont and $15,000 outside of Vermont, enter 40 (for 40%).

State	Withholding method	Allowances Filing status	Misc
Virginia (VA)	Computer formula rounded to nearest dollar	*Allowances*: Enter total number of exemptions.	No entry necessary.
Washington (WA)	No state income tax, but a deduction should be set up for supplemental pension assessment and medical aid.		
West Virginia (WV)	Percentage	*Allowances*: Enter total number of exemptions.	No entry necessary.
Wisconsin (WI)	Alternate method "B"	*Allowances*: Enter total number of exemptions.	No entry necessary.
Wyoming (WY)	No state income tax		

Index

Y

Troubleshooting	Key
Turn off all extensions at Macintosh startup	Shift (while starting)
To start QuickBooks without a company file	Option + double-click
To suppress the desktop windows (at Open Company window)	⌘ (while opening)
Display information about QuickBooks	⌘ 1 (one)

Special Keys	Key
Cancel	Esc
Add new item or transaction	⌘ N
Record (Always)	⌘ Return

Dates (need to be in a date field)	Key
Next day	+ (plus key)
Previous day	– (minus key)
Today	T
First day of the week	W
Last day of the week	K
First day of the month	M
Last day of the month	H
First day of the year	Y
Last day of the year	R

Editing	Key
Edit transaction in register	⌘ E
Delete character to left of insertion point	Delete
Insert line in detail area	⌘ Y
Delete line in detail area	⌘ B
Cut selected characters	⌘ X or F2
Copy selected characters	⌘ C or F3
Paste cut or copied characters	⌘ V or F4
Increase check or other form number by one	+ (plus key)
Decrease check or other form number by one	– (minus key)
Undo changes made in a field	⌘ Z or F1

Activity	Key
Account list, display	⌘ A
Check, write	⌘ K
Copy transaction in register	⌘ O
Customers:Jobs list, display	⌘ J
Delete check, invoice, transaction, or item from list	⌘ D
Edit lists or registers	⌘ E
Quick fill (type first few letters of name & press Tab, name fills in)	abc Tab
Find transaction	⌘ F
Go to register of transfer account	⌘ G
History of an A/R or A/P transaction	⌘ H
Invoice, create	⌘ I
List (for current field), display	⌘ L
Memorize transaction or report	⌘ M
Memorized transaction list, display	⌘ T
New invoice, bill, check or list item	⌘ N
Paste copied transaction in register	⌘ V
Print	⌘ P
Cancel a print job in progress	⌘ . (period)
Register, display	⌘ R

Moving around a window	Key
Next field	Tab
Previous field	Shift + Tab
Report column to the right	Right arrow
Report column to the left	Left arrow
Line below in detail area or on report	Down arrow
Line above in detail area or on report	Up arrow
Down one screen	Page Down
Up one screen	Page Up
First item on list or first transaction of a month	⌘ Page Up
Last item on list or last transaction of a month	⌘ Page Down
First transaction in register	⌘ Home
Last transaction in register	⌘ End
To close a window	⌘ W or ESC
To close all windows in QuickBooks	Option + click the close box

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